

REBUTTED VERSION OF THE IRS PUBLICATION: **“THE TRUTH ABOUT FRIVOLOUS TAX ARGUMENTS”**

PREFACE

This document is a rebutted version of the following document downloaded from the IRS Website at:

<i>The Truth About Frivolous Tax Arguments</i> http://www.irs.gov/pub/irs-utl/friv_tax.pdf

We provide our rebuttals to the false arguments presented by the IRS in brown Times New Roman text surrounded by a box. IRS comments use Arial black font. These rebuttals are based on information freely available on the worldwide web within the following resources:

1. *Flawed Tax Arguments to Avoid*, Form #08.004
<http://sedm.org/Forms/FormIndex.htm>
2. *Rebutted Version of Congressional Research Service Report 97-59A: Frequently Asked Questions Concerning the Federal Income Tax*, Form #08.006
<http://sedm.org/Forms/FormIndex.htm>
3. *Rebutted Version of Tax Resister FAQs by Dan Evans*, Form #08.007
<http://sedm.org/Forms/FormIndex.htm>
4. *Policy Document: Rebutted False Arguments Against This Website*, Form #08.011
<http://sedm.org/Forms/FormIndex.htm>
5. *Policy Document: Rebutted False Arguments About Sovereignty*, Form #08.018
<http://sedm.org/Forms/FormIndex.htm>
6. *Policy Document: IRS Fraud and Deception About the Word “Person”*, Form #08.023
<https://sedm.org/Forms/FormIndex.htm>
7. *Rebutted False Arguments About the Nonresident Alien Position When Used by American Nationals*, Form #08.031
<https://sedm.org/Forms/FormIndex.htm>
8. *Test for Federal Tax Professionals*, Form #03.009
<http://sedm.org/Forms/FormIndex.htm>
9. *Truth in Taxation Hearings Website*
<https://truthintaxationhearings.famguardian.org>
10. *Constitution Research Website*-expanded version of We The People Truth in Taxation Hearing Questions and evidence with video.
<https://constitution.famguardian.org>
11. *Tax Deposition Questions*, Form #03.016-expanded version of We The People Truth in Taxation Hearing Questions and evidence
<http://sedm.org/Forms/FormIndex.htm>

We encourage you to send a copy of this document to your Congressman and/or the IRS and politely tell them you want some answers as to the following important questions:

1. Where the IRS gets the authority to regulate private conduct, such as YOUR conduct at work. The only thing the government can lawfully regulate is “public conduct” and not “private conduct”. The Supreme Court has held that the ability to regulate private conduct is “repugnant to the constitution”.

“The power to “legislate generally upon” life, liberty, and property, as opposed to the “power to provide modes of redress” against offensive state action, was “repugnant” to the Constitution. Id., at 15. See also United States v. Reese, 92 U.S. 214, 218 (1876); United States v. Harris, 106 U.S. 629, 639 (1883); James v. Bowman, 190 U.S. 127, 139 (1903). Although the specific holdings of these early cases might have been superseded or modified, see, e.g., Heart of Atlanta Motel, Inc. v. United States, 379 U.S. 241 (1964); United States v. Guest, 383 U.S. 745 (1966), their treatment of Congress’ §5 power as corrective or preventive, not definitional, has not been questioned.”
[City of Boerne v. Flores, Archbishop of San Antonio, 521 U.S. 507 (1997)]

The above explains why:

- 1.1. Everyone who participates in federal franchises has to become a “public officer”. See:

Government Instituted Slavery Using Franchises, Form #05.030
<http://sedm.org/Forms/FormIndex.htm>

- 1.2. All “taxpayers” are “public officers” within the government.

Why Your Government is Either a Thief or You are a “Public Officer” for Income Tax Purposes, Form #05.008
<http://sedm.org/Forms/FormIndex.htm>

- 1.3. The tax is upon a “trade or business”, which is defined in 26 U.S.C. §7701(a)(26) as “the functions of a public office”. See:

The “Trade or Business” Scam, Form #05.001
<http://sedm.org/Forms/FormIndex.htm>

- 1.4. Not everything one earns is statutory “income”.

“We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of 1909 (Doyle v. Mitchell Brothers Co., ante, 179, and Hays v. Gauley Mountain Coal Co., ante, 189), the broad contention submitted on behalf of the government that all receipts—everything that comes in—are income within the proper definition of the term ‘gross income,’ and that the entire proceeds of a conversion of capital assets, in whatever form and under whatever circumstances accomplished, should be treated as gross income. Certainly the term ‘income’ has no broader meaning in the 1913 act than in that of 1909 (see Stratton’s Independence v. Howbert, 231 U.S. 399, 416, 417 S., 34 Sup.Ct. 136), and for the present purpose we assume there is not difference in its meaning as used in the two acts.”
[*Southern Pacific Co., v. Lowe*, [247 U.S. 330](#), 335, 38 S.Ct. 540 (1918)]

- 1.5. You cannot earn “income” unless a VALID and ACCURATE information return is filed against you and 26 U.S.C. §6041(a) says that these information returns cannot lawfully be filed against you unless you are engaged in a “trade or business”.
- 1.6. Those not lawfully engaged in the “trade or business”/“public office” franchise and not receiving government payments cannot earn “gross income” or “taxable income”.
- 1.7. Those eligible for Social Security are referred to in the code as “federal personnel”. See 5 U.S.C. §552a(a)(13) .
- 1.8. Social Security Numbers are identified not as YOUR property, but that of the government. 20 C.F.R. §422.103(d) says that the numbers belong not to YOU, but to the Social Security Administration. If someone asks you what is YOUR number, if you give them an answer, you just admitted that you work for the Social Security Administration and that you are a government employee on official business. It is ILLEGAL to use public property for a private use.
- 1.9. IRS envelopes say prominently in the upper left corner “Penalty for private use \$300”. They are sending the letter to a “public officer” called a “taxpayer” who is engaged in a government franchise or “public right”!

For details, see:

Why Statutory Civil Law is Law for Government and Not Private Persons, Form #05.037
<http://sedm.org/Forms/FormIndex.htm>

2. Why NONE of their publications, statements, or pleadings define:

- 2.1. HOW one becomes a STATUTORY “taxpayer”.
- 2.2. What a “nontaxpayer” is.
- 2.3. What excise taxable activity MAKES an otherwise PRIVATE human being into a public officer franchisee.
- 2.4. How you can lawfully consent to BECOME a statutory “taxpayer” without alienating a constitutional right that the Declaration of Independence says is “unalienable” in relation to a REAL, de jure government.

To us, this glaring omission in absolutely everything they publish and say constitutes a refusal to do the MAIN thing that governments are created to do, per the Declaration of Independence, which is to both RECOGNIZE and PROTECT PRIVATE rights and PRIVATE property. By “Private property” we mean:

Family Guardian Disclaimer

Section 4: meaning of Words

The word “private” when it appears in front of other entity names such as “person”, “individual”, “business”, “employee”, “employer”, etc. shall imply that the entity is:

- 1. In possession of absolute, exclusive ownership and control over their own labor, body, and all their property. In Roman Law this was called “dominium”.*
- 2. On an EQUAL rather than inferior relationship to government in court. This means that they have no obligations to any government OTHER than possibly the duty to serve on jury and vote upon voluntary acceptance of the*

obligations of the civil status of "citizen" (and the DOMICILE that creates it). Otherwise, they are entirely free and unregulated unless and until they INJURE the equal rights of another under the common law.

3. A "nonresident" in relation to the state and federal government.
4. Not a PUBLIC entity defined within any state or federal statutory law. This includes but is not limited to statutory "person", "individual", "taxpayer", "driver", "spouse" under any under any civil statute or franchise.
5. Not engaged in a public office or "trade or business" (per 26 U.S.C. §7701(a)(26)). Such offices include but are not limited to statutory "person", "individual", "taxpayer", "driver", "spouse" under any civil statute or franchise.
6. Not consenting to contract with or acquire any public status, public privilege, or public right under any state or federal franchise. For instance, the phrase "private employee" means a common law worker that is NOT the statutory "employee" defined within 26 U.S.C. §3401(c) or 26 C.F.R. §301.3401(c)-1 or any other federal or state law or statute.
7. Not sharing ownership or control of their body or property with anyone, and especially a government. In other words:
 - 7.1. Ownership is not "qualified" but "absolute".
 - 7.2. There are not moieties between them and the government.
 - 7.3. The government has no usufructs over any of their property.
8. Not subject to civil enforcement or regulation of any kind, except AFTER an injury to the equal rights of others has occurred. Preventive rather than corrective regulation is an unlawful taking of property according to the Fifth Amendment takings clause.

Every attempt by anyone in government to alienate rights that the Declaration of Independence says are UNALIENABLE shall also be treated as "PRIVATE BUSINESS ACTIVITY" that cannot be protected by sovereign, official, or judicial immunity. So called "government" cannot make a profitable business or franchise out of alienating inalienable rights without ceasing to be a classical/de jure government and instead becoming in effect an economic terrorist and de facto government in violation of Article 4, Section 4.

*"No servant [or government or biological person] can serve **two masters**; for either he will hate the one and love the other, or else he will be loyal to the one and despise the other. **You cannot serve God and mammon [government].**"*
[Luke 16:13, Bible, NKJV]

[Family Guardian Disclaimer, Section 4: Meaning of Words; SOURCE: <https://famguardian.org/disclaimer.htm>]

3. How can Congress lawfully delegate its power to COLLECT taxes conveyed under Constitution Article 1, Section 8, Clauses 1 and 3 to an ostensibly Executive Branch bureau within the Treasury? America was founded on the requirement for taxation with representation. The TAXING and the REPRESENTATION must concur in the SAME physical person, and that person was supposed to be in the House of Representatives. That is why the Constitution requires all spending bills to originate in the House of Representatives: Because those who raise the funds within their district are supposed to be the SAME ones who spend it! That is also why members of the House are reelected every two years: because if they get too greedy at tax collection, we can fire the bastards.

- 3.1. The separation of powers does not permit Congress to:

- 3.1.1. Delegate ANY of its functions to the Executive Branch.

"... a power definitely assigned by the Constitution to one department can neither be surrendered nor delegated by that department, nor vested by statute in another department or agency. Compare Springer v. Philippine Islands, 277 U.S. 189, 201, 202, 48 S.Ct. 480, 72 L.Ed. 845."
[Williams v. U.S., 289 U.S. 553, 53 S.Ct. 751 (1933)]

- 3.1.2. Separate the taxation and the representation functions in two different branches of the government.

- 3.2. The reason the IRS can be in the Executive Branch without violating the Constitutional separation of powers and the reason it is a "bureau" rather than an "agency" within the Treasury Department, is because it collects kickbacks from federal officers, instrumentalities, and employees (see 26 U.S.C. §6331(a)) who work for the government, and may not interact directly with the private public. Bureaus serve agencies within the government while agencies interact directly with the public. That is why it is called the INTERNAL Revenue Service: It may only lawfully collect kickbacks disguised to look like legitimate taxes from employees and instrumentalities of the government and not the public at large. Below is an admission of this from the Dept. of Justice:

Figure 1: Admission by Warren S. Derbridge, U.S. Attorney

The Department of Treasury is the agency, Internal Revenue Service is a bureau within Treasury. See also 5 United States Code § 105 which defines the term Executive agency and Hancock v. Egger, 848 F.2d 87 (6th Cir. 1988).

Sincerely,


Warren S. Derbidge
Assistant U.S. Attorney

4. Exactly what a “trade or business” is, so that those who don’t wish to engage in this privileged, excise taxable activity and therefore “public office” can exercise their free choice by lawfully avoiding it? See:

The “Trade or Business” Scam, Form #05.001
<http://sedm.org/Forms/FormIndex.htm>

5. Why the DOJ are not prosecuting private persons not lawfully engaged in a public office in the government for criminally impersonating a public officer in the U.S. government in violation of 18 U.S.C. §912 and for fraud pursuant to 26 U.S.C. §§7206 and 7207.
- 5.1. The IRS 1040 Instruction Booklet deliberately does not admit that the form is only for use by those engaged in a “trade or business”, even though this is the case. The 1040 form is trying to impose an excise tax on the “trade or business” franchise and make the existence of the franchise invisible through indirection. See: 26 U.S.C. §864(c)(3) and 26 U.S.C. §871(b)(2).
- 5.2. 26 U.S.C. §7701(a)(26) defines a “trade or business” as “the functions of a public office” in the U.S. government. Nowhere are private earnings or private labor mentioned in the definition and therefore they are purposefully excluded pursuant to the rules of statutory construction:

*“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that **the expression of one thing is the exclusion of another.** Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d. 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred.** Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded.”*
[Black’s Law Dictionary, Sixth Edition, p. 581]

- 5.3. Everything that goes on the 1040 Form is subject to “trade or business” deductions under 26 U.S.C. §162 and therefore MUST be associated with the “trade or business” excise taxable activity and franchise.
- 5.4. I.R.C. Section 1 imposes a tax on “taxable income” but very conveniently doesn’t indicate the excise taxable “trade or business” franchise as the REAL subject of the tax.
- 5.5. You have to go all the way to 26 U.S.C. §871(b)(1) to find out that everything in I.R.C. Section 1 is associated with the “trade or business” excise taxable franchise.

[TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter N](#) > [PART II](#) > [Subpart A](#) > § 871
[§ 871. Tax on nonresident alien individuals](#)

(b) Income connected with United States business—graduated rate of tax

(1) Imposition of tax

A nonresident alien individual engaged in trade or business within the United States during the taxable year shall be taxable as provided in section 1 or 55 on his taxable income which is effectively connected with the conduct of a trade or business within the United States.

- 5.6. 18 U.S.C. §912 makes it a crime to impersonate a “public officer”, and by implication a “taxpayer” for those who are not lawfully occupying a public office. No tax form can lawfully be used to CREATE any new public offices. The only thing the IRS can do is tax those ALREADY lawfully occupying said office to pay a kickback on their earnings back to the mother corporation.
6. How they the IRS say you have a tax debt or place a lien on your property if the Supreme Court says “taxes” are NOT “debts”?

"The assessment of taxes does not create a debt that can be enforced by suit, or upon which a promise to pay interest can be implied. It is a proceeding in invitum."

The next case was that of the City of Camden v. Allen, [Footnote 8] 1857. That was an action of debt brought to recover a tax by the municipality to which it was due. The language of the Supreme Court of New Jersey was still more explicit: "**A tax, in its essential characteristics," said the court, "is not a debt nor in the nature of a debt. A tax is an impost levied by authority of government upon its citizens or subjects for the support of the state. It is not founded on contract or agreement. It operates in invitum. A debt is a sum of money due by certain and express agreement. It originates in and is founded upon contracts express or implied."**" [Lane County v. Oregon, 74 U.S. 7 Wall. 71 71 (1868)]

7. Why the IRS won't publish the following truths in their publications about withholding and reporting:
- 7.1. That all earnings recorded on IRS Form W-2 are legally classified by the IRS as "gifts" and not taxes. IRS Document 6209, Section 4 classifies the W-2 form as Tax Class 5, meaning "Estate and gift taxes". Income taxes are Tax Class 2. See:
- Great IRS Hoax*, Section 5.6.8
<http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 7.2. That IRS has no authority to convert a Tax Class 5 "gift" into Tax Class 2 income tax and that only the owner of the earnings can do that by attaching the W-2 "gift statement" to a 1040 form and assessing him or her self. See:
- Great IRS Hoax*, Section 5.6.15
<http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 7.3. That the IRS Form W-4 is an agreement that cannot be coerced and that if a private employer coerces it, he is liable for a conspiracy against rights, theft, and racketeering as an officer of the government called a "withholding agent". 26 C.F.R. §31.3401(a)-3(a), 26 C.F.R. §31.3402(p)-1.

"An agreement [consensual contract] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not exercising his free will, and the test is not so much the means by which the party is compelled to execute the agreement as the state of mind induced. ¹ Duress, like fraud, rarely becomes material, except where a contract or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract or conveyance voidable, not void, at the option of the person coerced, ² and it is susceptible of ratification. Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. ³ However, duress in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing so, is generally deemed to render the resulting purported contract void. ⁴"
[American Jurisprudence 2d, Duress, §21 (1999)]

- 7.4. That those who refuse to sign and submit such a W-4 form cannot earn "wages" as legally defined.
- 7.5. That those who do not sign or submit IRS Form W-4 can earn no reportable "wages" on block 2 of an IRS Form W-2 at the end of the year.
- 7.6. That even if a person refuses to sign a Form W-4 and the IRS tells the employer to withhold at "single-zero", there is nothing to withhold because withholding is on "wages" as legally defined rather than all earnings. In other words, the only portion of earnings under control of the government is that which has been voluntarily donated by the owner to a public use, public purpose, and a public office by connecting it with the "trade or business" excise taxable franchise.

"Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness; and to 'secure,' not grant or create, these rights, governments are instituted. That property [or income] which a man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit; second, that if he devotes it to a public use, he gives to the public a right to control that use; and third, that whenever the public needs require, the public may take it upon payment of due compensation."

¹ Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

² Barnette v. Wells Fargo Nevada Nat'l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Faske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); Carroll v. Fetty, 121 W.Va. 215, 2 S.E.2d. 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

³ Faske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Heider v. Unicume, 142 Or. 416, 20 P.2d. 384; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

⁴ Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

- 7.7. That the IRS has no delegated authority to tell anyone other than a federal agency to withhold against persons who are not federal “employees”, agents, or contractors.
- 7.8. That those who withhold against the wishes of private employees are engaged in theft, extortion, and involuntary servitude in violation of the [Thirteenth Amendment](#), [42 U.S.C. §1994](#), and [18 U.S.C. §1581](#), and for which they personally accept full and exclusive legal liability.

If you would like to learn more about the above, see:

[Income Tax Withholding and Reporting Course](#), Form #12.004

<http://sedm.org/Forms/FormIndex.htm>

8. Why IRS withholding forms have a block for “exempt” but no block for “not subject”. One can be “not subject” without being an “exempt individual” or being an “individual” or “person” under the I.R.C. franchise agreement. 26 U.S.C. §7701(a)(31) recognizes the existence of a “foreign estate” that is not subject, but which is also not exempt:

[TITLE 26 > Subtitle F > CHAPTER 79 > § 7701](#)
[§ 7701. Definitions](#)

(a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—

(31) Foreign estate or trust

(A) Foreign estate The term “foreign estate” means an estate the income of which, from sources without the United States which is not effectively connected with the conduct of a [trade or business](#) within the [United States](#), is not includible in gross income under subtitle A.

(B) Foreign trust The term “foreign trust” means any trust other than a trust described in subparagraph (E) of paragraph (30).

For details on this SCAM, see section 5.10 of the following:

[Flawed Tax Arguments to Avoid](#), Form #08.004

<http://sedm.org/Forms/FormIndex.htm>

9. Why the Dept. of Justice isn’t prosecuting Americans domiciled in states of the Union under 26 U.S.C. §7206 and 7207 for fraud in filing the WRONG tax form, the form 1040. IRS Form 1040 is only for use by those domiciled on federal territory and not within a state of the Union. IRS Document 7130 says the form is only for use by “U.S. citizens and residents” but the instruction booklet for the form very conveniently doesn’t say that and refuses to identify that the “U.S.” they mean in the phrase “U.S. citizen” excludes states of the Union per 26 U.S.C. §7701(a)(9) and (a)(10). See:

1040A 11327A Each
U.S. Individual Income Tax Return

Annual income [tax return filed by citizens and residents of the United States](#). There are separate instructions available for this item. The catalog number for the instructions is 12088U.

W:CAR:MP:FP:F:I Tax Form or Instructions
[2003 IRS Published Products Catalog, Document 7130, p. F-15;
SOURCE: <http://famguardian.org/TaxFreedom/Forms/IRS/IRSDoc7130.pdf>

10. By what legal authority the Internal Revenue Code Subtitle A operates inside states of the Union and NOT “abroad” as indicated in 26 U.S.C. §911, when:
 - 10.1. The term “United States” is defined as the District of Columbia in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10).
 - 10.2. Subtitle A describes a tax on a “trade or business”, which is defined as a “public office” in 26 U.S.C. §7701(a)(26), and yet 4 U.S.C. §72 says ALL PUBLIC OFFICES shall be exercised ONLY in the District of Columbia and not elsewhere.
 - 10.3. [26 U.S.C. §7601](#) authorizes the IRS to collect only within Internal Revenue Districts and yet [Treasury Order 150-02](#) identifies the ONLY remaining Internal Revenue District as the District of Columbia and abolishes all previous Internal Revenue Districts.
 - 10.4. The Rules of Statutory Construction do not allow the expansion of any word defined in the code to include either the common definition or anything not specifically enumerated in the code itself. See:

[Legal Deception, Propaganda, and Fraud](#), Form #05.014

<http://sedm.org/Forms/FormIndex.htm>

10.5. How the I.R.C. can be enforced in states of the Union when the U.S. Supreme Court held in *Carter v. Carter Coal Company* that the federal government has NO LEGISLATIVE JURISDICTION in a state of the Union:

*“It is no longer open to question that the general government, unlike the states, *Hammer v. Dagenhart*, 247 U.S. 251, 275, 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.”*
[*Carter v. Carter Coal Co.*, 298 U.S. 238, 56 S.Ct. 855 (1936)]

Note that we are NOT indicating that the I.R.C. has no jurisdiction outside the District of Columbia, but only that 26 U.S.C. §911 is the only authority for its operation outside the District of Columbia and that this section only applies “abroad”, which does not and cannot include any state of the Union. Since states of the Union are never expressly mentioned in the I.R.C., they cannot be included in the term “United States” nor can areas within their exclusive jurisdiction be part of any internal revenue district or United States judicial district.

*“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another. *Burgin v. Forbes*, 293 Ky. 456, 169 S.W.2d. 321, 325; *Newblock v. Bowles*, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded.”*
[*Black’s Law Dictionary*, Sixth Edition, p. 581]

11. Why there is no space on the IRS Forms 1040 or 1040NR to deduct the full market value of one’s own labor from one’s earnings in computing “gross income”. The law permits this deduction and yet the IRS has no method for claiming it. See:

How the Government Defrauds You of Legitimate Exclusions for the Market Value of Your Labor, Form #05.026
<http://sedm.org/Forms/FormIndex.htm>

12. Why the IRS and the Congress continue to permit and encourage private employers and financial institutions to file knowingly false and fraudulent information returns, such as Form W-2, 1042-s, 1098, and 1099 against Americans who are not engaged in a “trade or business” or a “public office”, in violation of 26 U.S.C. §7434 and 26 U.S.C. §6041.
13. Why the IRS and the DOJ don’t prosecute private employers for extortion, slavery, and money laundering who:
- 13.1. Threaten workers that are not “employees” as defined in 26 C.F.R. §31.3401(c)-1 with either not being hired or fired who refuse to sign and submit a W-4.
- 13.2. Refuse to accept W-8BEN from persons domiciled in states of the Union who are not engaged in a “trade or business” and do not wish to become “public officers”.
14. Why the IRS and the DOJ don’t have special numbers to call where people who are compelled to complete and sign W-4 “voluntary withholding agreements” as described above so that they can register the presence of duress and invite law enforcement help to prevent such abuses? Isn’t the main function of law and government to protect the innocent from coercion, duress, and force?
15. Why the IRS Form W-8BEN:
- 15.1. Has no option in block 3 for those who “transient foreigners” rather than “individuals”.
- 15.2. Has no option for those who are neither “beneficial owners” nor “taxpayers”.
- 15.3. Has no check box to indicate that they are the nonresident alien indicated in 26 C.F.R. §1.871-1(b)(1)(i) and who cannot and should not have any withholding taken out? Instead, they rig the form to create confusion among private employers so that they will throw up their hands and just demand that the worker submit a W-4 because “it’s too much trouble to read the regulations and find out what we are supposed to do”. This causes INVOLUNTARY SERVITUDE that is illegal and makes people into “taxpayers” who are not required to be. See section 20.7 of the following: for how this scam works:
- Federal and State Tax Withholding Options for Private Employers*, Form #04.101
<http://sedm.org/Forms/FormIndex.htm>
16. Why private employers are not truthfully told by the IRS that they are not “employers” as defined in the Internal Revenue Code and that they cannot lawfully nominate themselves into a public office and thereby become “employers” without committing the crime of impersonating a public officer in violation of 18 U.S.C. §912.
17. Why the IRS publishes no procedures for correcting false information returns on their website, including information about how to correct false Form W-2, 1042-s, 1098, and 1099 information returns against people who are not engaged in a “trade or business” or a “public office” in the U.S. government?
18. Why the IRS Form 4852 may not be used by nonresident aliens filing Form 1040NR, thus excluding use of the form by Americans domiciled in states of the Union. The top of the form says it is only for use with Forms 1040, 1040A, 1040X, and 1040-EZ. It is discrimination to only allow citizens and residents to correct false information returns. Nonresidents should have that ability also without electing to become resident aliens.

19. Why the Social Security Administration publishes no procedures and makes available no forms on their website for people who wish to terminate participation in Social Security. See:

Resignation of Compelled Social Security Trustee, Form #06.002
<http://sedm.org/Forms/FormIndex.htm>

20. Why, if what they are doing IS lawful, they:

- 20.1. Have to use “pseudonyms” to hide their identity. See:

Notice of Pseudonym Use and Unreliable Tax Records, Form #04.206
<http://sedm.org/Forms/FormIndex.htm>

- 20.2. They use a fake name on their badges.

- 20.3. Refuse to sign their version of this document, put their real legal birthname on it, or take personal responsibility for it. What’s wrong with you, Mr. Korb, IRS Chief Counsel?

- 20.4. When they visit your residence, they park blocks away so you can’t see their car or get their license plate number.

- 20.5. They refuse to sign anything they prepare under penalty of perjury as required by 26 U.S.C. §6065 and yet hypocritically enforce that requirement upon everything YOU submit. That section doesn’t exclude them and if it did, it would unconstitutionally violate the requirement for equal protection and equal treatment.

- 20.6. They have a disclaimer that renders everything on their website as unreliable and not useful in a reliance defense in court. Yet, they falsely call things they say “facts” and hypocritically prosecute others for providing false advice under 26 U.S.C. §6700 even though it has the SAME disclaimer. They did that to members of this religious ministry.

“IRS Publications, issued by the National Office, explain the law in plain language for taxpayers and their advisors... While a good source of general information, publications should not be cited to sustain a position.”
[Internal Revenue Manual (I.R.M.), Section 4.10.7.2.8 (05-14-1999)]

21. Why private employers are not told that those not engaged in a “trade or business” who refuse to submit a Form W-4 and instead submit a Form W-8, may not have anything reported on a W-2 and that the W-2 can only contain a non-zero amount for “wages”, pursuant to 26 C.F.R. §31.3401(a)-3(a), in the case of those who signed and submitted a form W-4 absent duress. See:

New Hire Paperwork Attachment, Form #04.203
<http://sedm.org/Forms/FormIndex.htm>

You may also wish to ask them to refute anything in this rebuttal and to rebut:

1. The admissions at the end of this rebuttal and then to explain or justify the government’s propaganda in this pamphlet in light of their answers to the questions.
2. The questions at the end of each of the Memorandums of Law found at the address below in section 1.5:

SEDM Form Index
<http://sedm.org/Forms/FormIndex.htm>

3. The content of the *Tax Deposition Questions*, Form #03.016, which were asked at a formal publicized meeting in February 2002 in Washington, D.C. in which the IRS and DOJ and U.S. Congress were formally invited in writing to attend but positively refused to attend. You can also find these questions, with thousands of pages of supporting evidence to back up each question, at:

<http://sedm.org/Forms/FormIndex.htm>

This document should not be viewed as a rebuttal of *everything* the IRS says. That would be a full-time career because so much of what they say is patently false and/or misleading and motivated mainly by greed. There are many things that we agree with the IRS on and we point this out in our comments throughout the document. Years of exhaustive research on our part of law, taxation, sovereignty, and freedom has taught us that most of what appears in this document is true, in fact. The main source of deception and corruption in our tax system arises chiefly from the following sources, and the purpose of this rebuttal is to undo any injury caused by these sources. All of the following tools are abused by corrupt governments as a means of deception and corruption to introduce collectivism into an otherwise free society and thereby destroy ALL of your PRIVATE rights and ownership over PRIVATE property.

1. Legal ignorance on the part of Americans that allows public servants to abuse their authority and violate the law. We have met the enemy, and it is our own ignorance of the law.

“One who turns his ear from hearing the law [God’s law or man’s law], even his prayer is an abomination.”
[Prov. 28:9, Bible, NKJV]

“But this crowd that does not know [and quote and follow and use] the law is accursed.”

[John 7:49, Bible, NKJV]

"Salvation is far from the wicked, For they do not seek Your statutes."
[Psalms 119:155, Bible, NKJV]

"Every man is supposed to know the law. A party who makes a contract [or enters into a [franchise](#), which is also a contract] with an officer [of the government] without having it reduced to writing is knowingly accessory to a violation of duty on his part. Such a party aids in the violation of the law."
[Clark v. United States, 95 U.S. 539 (1877)]

2. The abuse of [presumption](#) to injure the rights of sovereign Americans, in violation of due process of law and God's law found in [Numbers 15:30](#) (NKJV). Much of this presumption is compelled by the government by willfully dumbing-down the average Americans about legal subjects in the public (government) schools. This makes the legal profession into essentially a "priesthood" and a pagan "religion" that the average American blindly worships and obeys, without ever questioning authority. It is a supreme injustice to proceed against a person without every conclusion being based ONLY on fact and not presumption, opinion, or belief.

"But the person who does anything presumptuously, whether he is native-born or a stranger, that one brings reproach on the LORD, and he shall be cut off from among his people."
[Numbers 15:30, Bible, NKJV]

"Due Process: [. . .] If any question of fact or liability be conclusively be presumed [rather than proven with evidence] against him, **this is not due process of law** [it's a VIOLATION of due process, in fact]."
[Black's Law Dictionary, Sixth Edition, p. 500]

(1) [8:4993] **Conclusive presumptions affecting protected interests:**

A conclusive presumption may be defeated where its application would impair a party's constitutionally-protected liberty or property interests. In such cases, conclusive presumptions have been held to violate a party's due process and equal protection rights. [Vlandis v. Kline (1973) [412 U.S. 441](#), 449, 93 S.Ct 2230, 2235; Cleveland Bd. of Ed. v. LaFleur (1974) [414 U.S. 632](#), 639-640, 94 S.Ct. 1208, 1215-presumption under Illinois law that unmarried fathers are unfit violates process]
[Rutter Group Practice Guide-Federal Civil Trials and Evidence, paragraph 8:4993, page 8K-34]

See the following for a detailed article on this scam and sin:

[Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction](#), Form #05.017
<http://sedm.org/Forms/FormIndex.htm>

3. Public servants deceiving the public by portraying "Private Law" as "Public Law". Click on the link below for an article on this subject:
[Requirement For Consent](#), Form #05.002
<http://sedm.org/Forms/FormIndex.htm>
4. Public servants refusing to acknowledge the requirement for consent in all human interactions. Click on the link below for an article on this subject:
[Requirement For Consent](#), Form #05.002
<http://sedm.org/Forms/FormIndex.htm>
5. Willful omissions from the IRS website and publications that keep the public from hearing the whole truth. The problem is not what these sources say, but what they DON'T say. The [Great IRS Hoax](#) contains over 2,000 pages of facts that neither the IRS nor any one in government is willing to reveal to you because it would destroy the gravy train of plunder that pays their bloated salaries and fat retirement in violation of [18 U.S.C. §208](#).
6. The use of "words of art" to deceive the people in both government publications and the law itself. See the link below for examples:
<http://famguardian.org/TaxFreedom/FormsInstr-Cites.htm>
7. The lack of "equal protection of the law" in courts of justice relating to the statements and actions of public servants, whereby the IRS doesn't have to assume responsibility for its statements and actions, and yet persons who fill out tax forms can be thrown in jail and prosecuted for fraud if they emulate the IRS by being just as careless. This also includes "selective enforcement", where the DOJ positively refuses to prosecute submitters of [false information returns](#) but spends a disproportionate share of its resources prosecuting false income tax returns. They do this because they are more interested in STEALING your money than in justice. See:

- 7.1. *Federal Courts and IRS' Own I.R.M. Say NOT RESPONSIBLE for its actions or its words or following its own internal procedures, Family Guardian Fellowship*
<http://famguardian.org/Subjects/Taxes/Articles/IRSNotResponsible.htm>
 - 7.2. *Requirement for Equal Protection and Equal Treatment*, Form #05.033
<http://sedm.org/Forms/FormIndex.htm>
 8. Abuses of franchises that undermine the protection of private rights by the government and the courts:
 - 8.1. Offering or enforcing NATIONAL franchises within states of the Union or outside of the federal territory and federal domiciliaries that they are limited to. This results in a destruction of the  [separation of powers](#).
 - 8.2. Enforcing franchises, such as a " [trade or business](#)" without requiring explicit written consent in some form, such as the issuance and voluntary signing of an application for a license.  [Click here](#) for details.
 - 8.3. [Forcing non-franchisees into franchise courts against their consent](#). This is a violation of the Fifth Amendment takings clause and the prohibition against eminent domain.
 - 8.4. Refusing to satisfy the burden of proof upon government opponents in a franchise court that the owner of the property subject to the dispute VOLUNTARILY donated it to a public use, public purpose, and public office. In other words, that all property is PRIVATE until it is **proven on the record with evidence** that the owner EXPRESSLY AND VOLUNTARILY DONATED it to PUBLIC use and thereby made it subject to government jurisdiction.
 - 8.5. Abusing sovereign immunity to protect franchise administrators such as the IRS from [illegal enforcement of the franchise against non-franchisees](#). All franchises are PRIVATE rather than GOVERNMENTAL in nature and governments who offer them drop down to the level of ordinary persons when they offer them.
 - 8.6. Refusing to provide a way to quit franchises or hiding forms for doing so.
 - 8.7. PRESUMING or pretending like there is no such thing as a non-franchisee or non-taxpayer or that EVERYONE is a statutory "taxpayer". This compels people to contract with the government and interferes with their First Amendment right to legally and politically associate. See [Your Exclusive Right to Declare or Establish Your Civil Status, Form #13.008](#).
 - 8.8. Attorney licensing, which destroys the integrity of the legal profession in its role as a check and balance when the government or especially the judiciary becomes corrupt as it is now.
 - 8.9. Abuse of the federal income tax system, which is a franchise and an excise, to bribe states of the Union to give up their sovereignty, act like federal "States" and territories, and accept what amounts to federal bribes to disrespect the rights or those under their care and protection.  [Click here](#) for details.
- See the following for details on the above abuses:
- Government Instituted Slavery Using Franchises*, Form #05.030
<http://sedm.org/Forms/FormIndex.htm>
9. Efforts to destroy the separation of powers that is the main protection for our liberties. This results in abuses of the Court system for political, rather than legal, purposes (politicization of the courts). All of the federal courts we have now are Article IV, territorial courts that are part of the Executive, rather than Judicial Branch of the government. As such, there is no separation of powers and nothing but tyranny can result. See the following for proof of this destruction:
 - 9.1. [Government Conspiracy to Destroy the Separation of Powers, Form #05.023](#)- shows how lying, thieving public servants have systematically destroyed the separation of powers since the founding of this country
<http://sedm.org/Forms/FormIndex.htm>
 - 9.2. [What Happened to Justice?, Form #06.012](#) -book which proves that we have no Judicial Branch within the federal government, and that all the existing federal courts are acting in an Article IV territorial capacity as part of the Executive, rather than Judicial, branch of the government.
<http://sedm.org/Forms/FormIndex.htm>
 - 9.3. [How Scoundrels Corrupted our Republican Form of Government, Family Guardian Fellowship](#)-brief overview of how the separation of powers has been systematically destroyed
<http://famguardian.org/Subjects/Taxes/Evidence/HowScCorruptOurRepubGovt.htm>
 10. The abuse of the government's power to tax in order to transfer wealth between private individuals, which makes the government into a thief and a Robin hood. This includes:
 - 10.1. Enforcing the tax laws against other than "public officers" of the government. See:

Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes, Form #05.008
<http://sedm.org/Forms/FormIndex.htm>
 - 10.2. Offering government "benefits" of any kind to anyone who does not ALREADY work for the government. See:

The Government "Benefits" Scam, Form #05.040
<http://sedm.org/Forms/FormIndex.htm>
 11. Corruption of our monetary system that allows the government to:

- 11.1. Counterfeit while denying to all others the right, thus creating an unconstitutional "Title of Nobility" for itself and making itself into a pagan deity, and denying the equal protection to all that is the foundation of the Constitution.
- 11.2. STEAL from the American people by diluting the value of money already into circulation.
- 11.3. Exercise undue control banks and financial institutions that causes them to effectively become federal employment recruiters for the federal government by compelling use of government identifying numbers for those pursuing accounts or loans.

See the following for details on the above SCAMS:

[The Money Scam](http://sedm.org/Forms/FormIndex.htm), Form #05.041
<http://sedm.org/Forms/FormIndex.htm>

- 12. Creating, perpetuating, condoning, or in any way protecting conflicts of financial interest within the government that cause the self-interest to undermine the requirements of the law, EQUALITY, or the protection of exclusively PRIVATE rights by:
 - 12.1. Making judges "taxpayers".
 - 12.2. Making jurists or voters into "benefit" recipients, franchisees, and/or public officers.
 - 12.3. Allowing judges to act in a POLITICAL mode within any franchise court in the Executive rather than Judicial Branch. This also violates the separation of powers.
 - 12.4. Turning police officers into revenue collectors who enforce malum-prohibitum offenses that result in revenue to the state.
 - 12.5. Allowing any judicial officer or witness to receive any kind of financial reward for essentially compelling someone to assume any civil status under any civil franchise, including the income tax.
 - 12.6. Allowing judges to act BOTH as an Article III judge AND an Article IV judge at the same time.
 - 12.7. Allowing PRIVATE citizens to appear before a franchise judge with a financial conflict of interest.
 - 12.8. Making ordinary citizens ALSO into public officers in any context OTHER than as a jurist or voter. This causes income taxes to become poll taxes and disenfranchises all those who insist on remaining private.
- 13. Active interference with [common law remedies](#) for the protection of PRIVATE rights from abuse by government actors. Governments are established exclusively to protect PRIVATE rights and PRIVATE property. Any attempt to undermine such rights without the express written consent of the owner in each case is not only NOT a classical "government" function, but is an ANTI-government function that amounts to a MAFIA "protection racket". This includes but is not limited to:
 - 13.1. Refusing to recognize or protect PRIVATE property or PRIVATE rights, the essence of which is the RIGHT TO EXCLUDE anyone and everyone from using or benefitting from the use of the property.
 - 13.2. PRESUMING that "a government OF THE PEOPLE, BY THE PEOPLE, and FOR THE PEOPLE" is a government in which everyone is a [public officer](#).
 - 13.3. Refusing to recognize or allow constitutional remedies and instead substituting STATUTORY remedies available only to [public officers](#).
 - 13.4. Interfering with introduction of evidence that the court or forum is ONLY allowed to hear disputes involving [public officers in the government](#).
 - 13.5. PRESUMING or ASSUMING that the ownership of the property subject to dispute is QUALIFIED rather than ABSOLUTE and that the party the ownership is shared with is the government.
 - 13.6. Allowing government "benefit" recipients to be decision makers in cases involving PRIVATE rights. This is a denial of a republican form of government, which is founded on impartial decision makers. See [Sinking Fund Cases, 99 U.S. 700 \(1878\)](#).
 - 13.7. Interfering with or sanctioning litigants who insist on discussing the laws that have been violated in the courtroom or prohibiting jurists from reading the laws in question or accessing the law library in the courthouse while serving as jurists. This transforms a society of law into a society of men and allows the judge to substitute HIS will in place of what the law expressly requires.
 - 13.8. Illegally and unconstitutionally invoking the Declaratory Judgments Act or the Anti-Injunction Act as an excuse to NOT protect PRIVATE rights from government interference in the case of EXCLUSIVELY PRIVATE [people who are NOT statutory "taxpayers"](#). See [Flawed Tax Arguments to Avoid, Form #08.004, Sections 6.10 and 6.11](#).
 - 13.9. Interfering with ways to change or correct your citizenship or statutory status in government records. That "status" is the "res" to which all franchise rights attach, usually ILLEGALLY.

If you would like to contact the author of the original IRS *The Truth About Frivolous Tax Arguments*, then please call the IRS Chief Counsel's Office at 202-622-4000. We attempted to contact him and were not allowed to talk with him. His hired help was very reluctant to even admit that he had written this and exactly who wrote it. If it indeed is "The Truth", as they call it, how come no one at the IRS wants to take responsibility for it and the IRS doesn't put their seal and name and a signature of a real live person on it? How can there be truth without accountability? It is the most basic element of law that testimony is not credible or believable unless the speaker takes an oath. Where is the oath and the signature?

We wish to emphasize that silence in this document about a specific issue doesn't necessarily mean agreement. Instead it means one of or both of the following apply:

1. We either don't have a complete enough understanding of the issues mentioned to have an informed opinion that is credible enough to reveal to you;
2. We have not had time to do the research necessary to rebut the item.

If you find any inaccuracies in our rebuttal, please kindly submit them to the Family Guardian Forums below.

<http://famguardian.org/forums/>

Please include court-admissible evidence with your rebuttal, because we can't make any changes based on presumption or hearsay evidence. Your rebuttal should be consistent with the following document:

Reasonable Belief About Income Tax Liability, Form #05.007

<http://sedm.org/Forms/FormIndex.htm>

These are the same constraints that would apply to those who wish litigate these issues, and we encourage you to use these materials in your own litigation.

If, after reading this document, you decide you would like to investigate the IRS further, we highly recommend the following resources:

1. *Family Guardian Website, Taxation Page*
<http://famguardian.org/Subjects/Taxes/taxes.htm>
2. *Foreign Tax Status Information Group (FTSIG) Website*: History Menu
<https://ftsig.org/history/>
3. *History of the Internal Revenue Service (I.R.S.)*, FTSIG
<https://ftsig.org/history/history-of-the-internal-revenue-service-irs/>
4. *Great IRS Hoax* book-2000 pages of evidence of IRS fraud
<http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
5. *Galileo Paradigm*, Form #11.303-book about the IRS hoax
<http://sedm.org/Forms/FormIndex.htm>
6. *Origins and Authority of the Internal Revenue Service*, Form #05.005
<http://sedm.org/Forms/FormIndex.htm>
7. *Work and Jurisdiction of the Bureau of Internal Revenue*, U.S. Government Printing Office, 1948
<http://famguardian.org/PublishedAuthors/Govt/IRS/WorkAndJurisOfTheBIR1948s.pdf>

Thanks for taking the time to consider BOTH sides of the arguments so you can clearly discern the WHOLE truth for yourself.

REVISION HISTORY

Date	Version	Description
1/13/02	1.00	Initial version
2/2/02	1.01	1. Added item I.C and a rebuttal to it.
2/3/02	1.02	Corrected case cites under item I.C.
12/28/02	1.03	Updated section III.A to replace the citation from Amer. Jurisprudence with a later citation.
1/13/03	1.04	Replaced all occurrences of “Treasury Definition” with “Treasury Decision”.
7/31/03	1.05	1. Removed cite from Higley v. Commissioner in section I.C. 2. Updated the quote from Botta v. Scanlon in the General Notes section to change “states” to “statutes”.
10/7/03	1.06	Corrected section reference in section 1.A. to point to section 12.2.2 of the Great IRS Hoax instead of 11.2.3.
11/12/04	1.07	1. Updated the web link to the original pamphlet at the beginning. 2. Updated introduction information about Great IRS Hoax book. 3. Replaced all references to I.R.M. section 5.1.11.9 with 5.1.11.6.10. 4. Added item 2 entitled “Abuse of the word ‘law’” in the General Notes at the beginning. 5. Removed all references to “the law” in our rebuttal and replaced most with “the Internal Revenue Code”. Also replaced the phrase “lawful authority” with “authority” throughout the document.
3/18/05	1.08	1. Added section II and all subsections from new IRS pamphlet. 2. Made all heading level 2 styles into level 3. 3. Made all heading level 1 styles into level 2. 4. Updated all items in Section I to be consistent with new pamphlet published by IRS. 5. Added section 1.A.3 with a rebuttal. 6. Added section 1.D.1 with a rebuttal. 7. Added section 1.E.5 with a rebuttal. 8. Added section 1.E.6 with a rebuttal. 9. Reformatted table of contents at the beginning. 10. Updated our introduction. 11. Updated the IRS’ introduction at the beginning. 12. Fixed several typographical errors. 13. Added a Table of Authorities to the beginning after the Table of Contents. 14. Added a footer to each page containing the document title. 15. Replaced all references to “U.S. national” with “national”. 16. Replaced all occurrences of “tax law” with “I.R.C.” or “code”. 17. Added a section entitled “Questions Which Easily Expose the IRS Fraud” and added over 90 questions to the subsections underneath this with weblinks to the original evidence.
3/19/05	1.09	1. Added responses to questions I.A.3, I.D.1, I.E.5, and 1.E.6. 2. Added rebuttals to questions II.A.1 and 2, II.C.1 and 2, II.G.1, II.H.1 and 2. 3. Improved grammar throughout the rebuttals and added links and detail to each new answer. 4. Added a quote to the beginning of the questions section. 5. Added numbers to the sections under “General Notes”. 6. Expanded section 2.5. 7. Added section 0.1 entitled “Techniques of IRS deception and duress”. 8. Expanded section 0.4 to add clarification of the meaning of the word “tax”.
4/2/05	1.10	1. Updated questions at the end to remove grammar errors and typos. 2. Considerably expanded the introduction to the Questions section. 3. Added more evidence to questions at the end. 4. Improved formatting throughout document. 5. Expanded section A.1.
4/13/04	1.11	1. Updated section 0.5 to add the identity of the author of the document.

8/13/05	1.12	1. Expanded cites in questions at the end. 2. Added hotlinks to most statute and regulation references in questions at the end. 3. Corrected formatting problems.
3/22/06	1.13	1. Updated section I.B.1. 2. Updated Section I.C.1. 3. Deleted table in section 0.2. 4. Updated section I.F.1. 5. Fixed several spelling and grammar errors. 6. Updated section I.C.2.
4/9/06	1.14	1. Renamed section 0.6.
6/10/06	1.15	1. Added several questions to end. 2. Corrected bad links. 3. Added several entries to the table of authorities. 4. Improved formatting.
9/25/06	1.16	1. Expanded the introduction and corrected typos.
6/21/07	1.17	1. Replaced Questions at the end with entirely new document. 2. Updated introduction at the beginning. 3. Improved formatting of footnotes. 4. Cleaned up styles.
2/13/08	1.18	1. Added a “Scriptures” section to the Table of Authorities. 2. Corrected several problems in the Table of Authorities. 3. Normalized formatting throughout document. 4. Corrected several spelling errors. 5. Expanded introduction. 6. Corrected Section I.C.1.
10/18/08	1.19	1. Expanded and considerably improved the Preface. 2. Renamed the document. 3. Updated section II.A.2. 4. Added several more entries to the Table of Authorities 5. Corrected some bad section references. 6. Expanded section 2.G.1 to mention the new “Tax Court Scam” article. 7. Completely revised response in section I.F.1. 8. Expanded section I.E.1. 9. Added section 0.9: Selective Enforcement. 10. Rewrote and expanded section 0.1. 11. Expanded section 0.3. 12. Revised section 0.7. 13. Renamed section 0. 14. Updated section 1.D.1. 15. Replaced all references in the rebuttal to “natural person” with “human being”.
10/14/14	1.20	1. Updated citizenship references. 2. Updated table 1 on Effect of Domicile on Citizenship. 3. Expanded list of documents at the beginning. 4. Added additional items to the table of authorities at the beginning. 5. Normalized all footnotes.
11/20/14	1.21	1. Rearranged section 0. 2. Added an introduction to Section 0. 3. Added section 0.2. 4. Expanded section 0.6: Abuse of the phrase “Relevant Case Law”. 5. Corrected typos throughout the document.
7/20/2019	1.22	1. Added section I.B.4. 2. Added section I.D.2 3. Added sections I.E.7 and I.E.8. 4. Added Section II.C.2. 5. Added Section I.H.3. 6. Added Section I.A.5. 7. Replaced references to “non-citizen national” with “non-resident non-person”

		8. Changes derived from: The Truth About Frivolous Tax Arguments, Last Reviewed and Updated 21Mar 2019; https://www.irs.gov/privacy-disclosure/the-truth-about-frivolous-tax-arguments-introduction 9. Updated formatting of document to match latest version of the IRS document. 10. Expanded section I.C.3 to mention our new Form #08.023. 11. Expanded the Preface to mention our new Form #08.023. 12. Expanded section 0.1 to mention sophistry, and Form #05.014.
1/29/25	1.23	1. Expanded the PREFACE to add links to extra websites, including FTSIG. 2. Eliminated redundancies in the Points and Authorities. 3. Improved accuracy of case cites. 4. Expanded and clarified section I.C.1. 5. Added a rebuttal to section I.B.4: Military retired pay. 6. Renamed Form #05.026 throughout the document 7. Rewrote Section I.C.2.

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0. TECHNIQUES FOR IRS DECEPTION IN THIS DOCUMENT

"The power to create [false] presumptions is not a means of escape from constitutional restrictions,"
[New York Times v. Sullivan, 376 U.S. 254 (1964)]

"There is a generation [of WICKED lawyers in the government and the IRS] whose teeth [and tongues] are like swords, And whose fangs are like knives, To devour the poor from off the earth, And the needy from among men."
[Prov. 30:14, Bible, NKJV]

The following subsections describe propaganda and deception techniques cleverly abused by psychopathic lawyers in the IRS Chief Counsel's office who wrote their version of this pamphlet. All propaganda and deception relies either on outright LIES or upon logical fallacies perpetuated by the abuse of language and/or presumption. For a description of specific logical fallacies you need to be aware of in a legal setting, see the following video:

Foundations of Freedom Course, Form #12.021, Video 4: Willful Government Deception and Propaganda
SLIDES: <http://sedm.org/LibertyU/FoundOfFreedom-Slides.pdf>
VIDEO: http://www.youtube.com/watch?v=DvnTL_Z5asc

For exhaustive information on IRS propaganda and deception see:

Taxation Page, Section 6: Government and Legal Profession Deception and Propaganda, Family Guardian Fellowship
<http://famguardian.org/Subjects/Taxes/taxes.htm>

If you don't believe us that this entire pamphlet is just propaganda, watch the following interview from Former IRS Commission Shelton Cohen, in which he basically:

1. Says the IRS and he don't care about what the U.S. Supreme Court says on the subject of taxes.
2. Says the IRS is ONLY interested in what he calls "playing word games". By that he can only mean propaganda and deception.

This may explain why Cohen QUIT as commissioner to enter private practice. If Cohen's behavior during the interview doesn't betray a lawless psychopathic anarchist and even COMMUNIST intent on defying the constitution, we don't know what DOES.

Interview with Former IRS Commissioner Shelton Cohen by Aaron Russo, SEDM Exhibit 11.004
<http://sedm.org/Exhibits/ExhibitIndex.htm>

0.1 Summary of Techniques of IRS propaganda and deception

Throughout the pamphlet, keep fresh in your mind the chief tools of extortion, racketeering, and coercion abused by corrupted public servants:

1. Refusing to either define terms they use, the context for the terms, or sticking to the definition of those terms.⁵
2. Promoting legal ignorance and false presumption.
3. Using the created ignorance as a means of instilling fear.
4. Using the fear to motivate people to do that which no enacted positive law requires.
5. Using the high cost of an out-of-control and corrupted legal system as a means of punishing those who refuse to cooperate. Litigation can be more expensive than just paying an illegally enforced tax to begin with, and they know this and use it to their advantage.

The above tactics, in a philosophical sense, are the tactics of "sophists". For an instructive video on how sophistry works, read;

⁵ For an exhaustive description of this technique, see: *Legal Deception, Propaganda, and Fraud*, Form #05.014; <https://sedm.org/Forms/05-MemLaw/LegalDecPropFraud.pdf>.

In a free society of informed Americans, those intent on abusing their authority as public servants to steal from the American people must use surreptitious and stealthy means to disguise the nature of their malicious activities. They must manufacture legal ignorance in the public school system and abuse the ignorant masses using the media and “words of art” to deceive them into having false presumptions about what the law requires. This dupes the ignorant masses into executing public policy that is in clear conflict with what the law actually says. The false “beliefs” induced during this brainwashing process are the religious equivalent of “faith” in a false god called government, and this form of exploitation is described in the bible as idolatry that violates the first four commandments of the ten commandments. When you corner the usurpers in their own offices or in federal courtrooms as we have and demand the same kind of respect from them for the obligations of enacted positive law as they at least “claim” they expect from you, they refuse to discuss why they are violating the law because doing so would force them to surrender the plausible deniability that protects their unlawful activities. Instead, they respond evasively to a good faith inquiry into the nature of their lawful authority as follows:

1. Deliberately abusing presumption by confusing words with “words of art” with ordinary language and refusing to define which of the two mutually exclusive contexts applies in each instance. This advances beliefs about the tax code that is completely inconsistent with the code and with the rules of statutory construction. See:

Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction, Form #05.017
<http://sedm.org/Forms/FormIndex.htm>

2. Refusing to recognize all the implications of the separation of powers doctrine and how that doctrine affects the definitions of terms they are using. See:

Government Conspiracy to Destroy the Separation of Powers, Form #05.023
<http://sedm.org/Forms/FormIndex.htm>

This type of abuse includes:

- 2.1. Deliberately confusing upper case federal “States”, which are territories in the I.R.C., with states of the Union, which are referred to in lower case “states” because they are foreign in respect to federal legislative jurisdiction.

Corpus Juris Secundum Legal Encyclopedia
Territories, "§1. Definitions, Nature, and Distinctions

"The word 'territory,' when used to designate a political organization has a distinctive, fixed, and legal meaning under the political institutions of the United States, and does not necessarily include all the territorial possessions of the United States, but may include only the portions thereof which are organized and exercise governmental functions under act of congress."

"While the term 'territory' is often loosely used, and has even been construed to include municipal subdivisions of a territory, and 'territories of the' United States is sometimes used to refer to the entire domain over which the United States exercises dominion, the word 'territory,' when used to designate a political organization, has a distinctive, fixed, and legal meaning under the political institutions of the United States, and the term 'territory' or 'territories' does not necessarily include only a portion or the portions thereof which are organized and exercise government functions under acts of congress. The term 'territories' has been defined to be political subdivisions of the outlying dominion of the United States, and in this sense the term 'territory' is not a description of a definite area of land but of a political unit governing and being governed as such. The question whether a particular subdivision or entity is a territory is not determined by the particular form of government with which it is, more or less temporarily, invested.

"Territories' or 'territory' as including 'state' or 'states.'" While the term 'territories of the' United States may, under certain circumstances, include the states of the Union, as used in the federal Constitution and in ordinary acts of congress "territory" does not include a foreign state.

"As used in this title, the term 'territories' generally refers to the political subdivisions created by congress, and not within the boundaries of any of the several states."
[86 Corpus Juris Secundum (C.J.S.), Territories, §1 (2003)]

- 2.2. Deliberately confusing “constitutional citizens” with “statutory citizens” or presuming that they are the same. See:

Flawed Tax Arguments to Avoid, Form #08.004, Section 8.1
<http://sedm.org/Forms/FormIndex.htm>

- 2.3. Refusing to disclose which of the three definitions of “United States” they mean when the word is used. See:

Rules of Presumption and Statutory Interpretation, Litigation Tool #01.006
<http://sedm.org/Litigation/LitIndex.htm>

- 2.4. Falsely presuming that the federal district courts are Constitution Article III courts. They are NOT, but rather legislative franchise courts supervising the management of community property of the states pursuant to Article

4, Section 3, Clause 2 of the Constitution. All tax trials are property trials against the “res”, who is a “taxpayer” managing “public property” under their management and control as “public officers”, trustees, and fiduciaries of the government. See:

What Happened to Justice?, Form #06.012

<http://sedm.org/Forms/FormIndex.htm>

3. Trying to confuse citizenship terms in order to draw you into their protection racket by refusing to distinguish which of the four types of “citizens” they mean when they use the word “citizen”:
 - 3.1. 8 U.S.C. §1401 statutory “U.S. citizen”. Born anywhere in America and domiciled in a federal territory.
 - 3.2. 8 U.S.C. §1101(a)(22)(A) “citizen of the United States”, which is a human being domiciled on federal territory and born either on federal territory or in a constitutional state.
 - 3.3. 8 U.S.C. §1101(a)(22)(B) “a person who, though not a citizen of the United States, owes permanent allegiance to the United States”. This is a 8 U.S.C. §1408 “national but not citizen of the United States** at birth”.
 - 3.4. 8 U.S.C. §1408, and 8 U.S.C. §1452 statutory “U.S. national” or “non-citizen national of the United States***”. Born anywhere in America and domiciled in American Samoa and Swain’s Island.
 - 3.5. 8 U.S.C. §1101(a)(21) “national”. This is “non-resident non-person” (with respect to national jurisdiction). Born anywhere in America and domiciled in a state of the Union or abroad. Also called a “constitutional citizen” in our publications.
 - 3.6. Constitutional or Fourteenth Amendment citizen.

For details on the above, see:

Why You are a Political Citizen but Civil Non-Citizen, National, and Nonresident Alien, Form #05.006

<http://sedm.org/Forms/FormIndex.htm>

4. Saying “We are not here to talk about the law.” Instead, they want you to obey their self-serving “perception” of what “public policy” requires, and not what the “code” and the Constitution specifically and exactly say. 50 U.S.C. §841 says the essence of communism is a failure or refusal to recognize the limitations of law upon one’s conduct as a public servant. Consequently, such comments amount to the practice of communism. They want you to “pay your fair share” without using only the Constitution and enacted positive law to legally define what “fair share” is. Indirectly, they want you to prostrate yourself and worship them as false gods, and thereby commit idolatry within the confines of a state-sponsored religion. This is how they maintain a “de facto” socialist/communist government that is in total conflict with the “de jure” Constitutional Republic which our founding fathers bequeathed us with. It is Satan worship and Treason to obey what these criminals say and certainly cannot be described as “good citizenship”. Here is how Thomas Jefferson described our duty as good citizens to question and challenge authority and jurisdiction at all times:

“It would be a dangerous delusion were a confidence in the men of our choice to silence our fears for the safety of our rights... Confidence is everywhere the parent of despotism. Free government is founded in jealousy, and not in confidence. It is jealousy and not confidence which prescribes limited constitutions, to bind down those whom we are obliged to trust with power... Our Constitution has accordingly fixed the limits to which, and no further, our confidence may go... In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution.”

[Thomas Jefferson: Draft Kentucky Resolutions, 1798. ME 17:388]

5. Identifying the Internal Revenue Code as “code” instead of a “law” or calling the I.R.C. “law” without being willing to defend or explain with evidence and the I.R.C. why they think it is. It is private and not public law that applies only to those who consent, but they deliberately won’t tell you how you consented or how that consent can be withdrawn.
6. Refusing to recognize that the real statutory “taxpayer” is a public officer in the government and that it is illegal for a private citizen to impersonate such an officer. See:

Why Your Government is Either a Thief or You are a “Public Officer” for Income Tax Purposes, Form #05.008

<http://sedm.org/Forms/FormIndex.htm>

7. Refusing to admit that 1 U.S.C. §204 legislative notes indicates that the Internal Revenue Code was never enacted into positive law and stands only as “prima facie evidence”. Being “prima facie evidence” means that the entire Title is nothing but a conclusive statutory presumption that is not and cannot be evidence of any obligation whatsoever without at least the express consent of those who are victimized by the presumptions it creates. Judges don’t have the power to turn a presumption into evidence if it would injure your constitutional rights.

*(1) [8:4993] **Conclusive presumptions affecting protected interests:** A conclusive [statutory] presumption may be defeated where its application would impair a party’s constitutionally-protected liberty or property interests. In such cases, conclusive presumptions have been held to violate a party’s due process and equal protection rights. [Vlandis v. Kline (1973) 412 U.S. 441, 449, 93 S.Ct 2230, 2235; Cleveland Bd. of Ed. v. LaFleur (1974) 414 U.S. 632, 639-640, 94 S.Ct. 1208, 1215-presumption under Illinois law that unmarried fathers are unfit violates process] [Rutter Group Practice Guide-Federal Civil Trials and Evidence, paragraph 8:4993, page 8K-34]*

"Statutes [including an ENTIRE title of the U.S. code such as the I.R.C.] creating permanent irrebuttable presumptions have long been disfavored under the Due Process Clauses of the Fifth and Fourteenth Amendments."
[Vlandis v. Kline, 412 U.S. 441 (1973)]

"This court has never treated a presumption as any form of evidence. See, e.g., A.C. Aukerman Co. v. R.L. Chaides Constr. Co., 960 F.2d. 1020, 1037 (Fed.Cir.1992) ("[A] presumption is not evidence."); see also Del Vecchio v. Bowers, 296 U.S. 280, 286, 56 S.Ct. 190, 193, 80 L.Ed. 229 (1935) ("[A presumption] cannot acquire the attribute of evidence in the claimant's favor."); New York Life Ins. Co. v. Gamer, 303 U.S. 161, 171, 58 S.Ct. 500, 503, 82 L.Ed. 726 (1938) ("[A] presumption is not evidence and may not be given weight as evidence."). Although a decision of this court, Jensen v. Brown, 19 F.3d. 1413, 1415 (Fed.Cir.1994), dealing with presumptions in VA law is cited for the contrary proposition, the Jensen court did not so decide."
[Routen v. West, 142 F.3d. 1434 C.A.Fed. (1998)]

8. Refusing to provide their real legal name or show their state issued ID. Instead, they will show you IRS issued ID that has a fake "pseudo name", so that you can't hold them legally liable for making false statements or serve them with legal process if they violate your rights. Try asking for their state issued ID rather than IRS ID at an audit, which by the way is exactly what they do to you, and see how they react. Are they a "mafia" or a "secret police", or simply "servants" of the public? What does the word "service" mean in their name and WHOM do they serve? You might want to make that the first question you ask at your next IRS audit or collection due process meeting. This kind of mystery and secrecy simply contributes to the fear and ignorance which is currently the ONLY reason why people comply with anything they say to begin with. We live in a police state and such tactics are proof of that. Our government has become a "predator", not a "protector", and the kind of secrecy these scoundrels demand is proof of that they are up to no good and that they know it.
9. Refusing to provide statutory definitions for the terms they are using. This is especially true of the following "words of art" mentioned and defined in sections 3.12.1 through 3.12.1.27 of our Great IRS Hoax book which DO NOT have anywhere near the meaning that you probably attribute to them, probably because you have been reading the IRS false propaganda in their publications, which the federal courts and the IRS both say you can't and shouldn't rely upon:
 - 9.1. "individual"
 - 9.2. "person"
 - 9.3. "income"
 - 9.4. "gross income"
 - 9.5. "United States"
 - 9.6. "State"
 - 9.7. "employee"
 - 9.8. "employer"
 - 9.9. "trade or business"
 - 9.10. "nonresident alien"
 - 9.11. "U.S. citizen"
 - 9.12. "citizen"
 - 9.13. "taxpayer"
 - 9.14. "wages"
10. Refusing to respect the rules of statutory construction and the limitations that those rules impose upon their activities. This includes all the following unlawful abuses:
 - 10.1. Making "presumptions" about what is "included"
 - 10.2. Adding things to definitions that aren't specified.
 - 10.3. Assuming that definitions in the I.R.C. include the ordinary meaning of the term IN ADDITION to the statutory definition.

"When a statute includes an explicit definition, we must follow that definition, even if it varies from that term's ordinary meaning." Meese v. Keene, 481 U.S. 465, 484-485 (1987) ("It is axiomatic that the statutory definition of the term excludes unstated meanings of that term"); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 ("As a rule, 'a definition which declares what a term 'means' . . . excludes any meaning that is not stated"); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945) ; Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read "as a whole," post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General's restriction -- "the child up to the head." Its words, "substantial portion," indicate the contrary."
[Stenberg v. Carhart, 530 U.S. 914 (2000)]

"Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another." Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d. 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred.** Under

this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded.”
[Black’s Law Dictionary, Sixth Edition, p. 581]

11. Refusing to prove with admissible evidence (not “prima facie evidence”, which is just presumption, but with REAL “admissible evidence”) that the code section they are citing as authority for demanding your performance is enacted positive law.

Do you smell a rat in the woodpile people? It’s as plain as the light of day to us and we believe that any American who loves their freedom and wants to preserve it will take seriously the charge to confront their public DIS-servants and FORCE them, in a court of law on the record, to admit the truth about the very limited nature of their jurisdiction to do ANYTHING, including enforce a tax. The way to approach the above kind of evasive reactions on the part of government, is therefore simply to demand:

“Are we here for a legal purpose?”

To which they must admit “yes”. To which you must respond: “Well then, we can’t fulfill a legal purpose without discussing the law”. They cannot be there to enforce a “code” which they refuse to even acknowledge or read or explain to people they are accusing of violating it. This is a fundamental violation of due process of law and an offense to the whole notion of justice, fairness, and common sense. Furthermore:

1. The U.S. Congress has enacted into law that ALL THOSE who refuse to acknowledge the limitations placed upon their authority by law or the Constitution are COMMUNISTS.

[TITLE 50 > CHAPTER 23 > SUBCHAPTER IV > Sec. 841.](#)
[Sec. 841. - Findings and declarations of fact](#)

The Congress finds and declares that the Communist Party of the United States [consisting of the IRS, DOJ, and a corrupted federal judiciary], although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the [de jure] Government of the United States [and replace it with a de facto government ruled by the judiciary]. It constitutes an authoritarian dictatorship [IRS, DOJ, and corrupted federal judiciary in collusion] within a [constitutional] republic, demanding for itself the rights and [FRANCHISE] privileges [including immunity from prosecution for their wrongdoing in violation of Article 1, Section 9, Clause 8 of the Constitution] accorded to political parties, but denying to all others the liberties [Bill of Rights] guaranteed by the Constitution [Form #10.002]. Unlike political parties, which evolve their policies and programs through public means, by the reconciliation of a wide variety of individual views, and submit those policies and programs to the electorate at large for approval or disapproval, the policies and programs of the Communist Party are secretly [by corrupt judges and the IRS in complete disregard of, Form #05.014, the tax franchise "codes", Form #05.001] prescribed for it by the foreign leaders of the world Communist movement [the IRS and Federal Reserve]. Its members [the Congress, which was terrorized to do IRS bidding by the framing of Congressman Traficant] have no part in determining its goals, and are not permitted to voice dissent to party objectives. Unlike members of political parties, members of the Communist Party are recruited for indoctrination [in the public FOOL system by homosexuals, liberals, and socialists] with respect to its objectives and methods, and are organized, instructed, and disciplined [by the IRS and a corrupted judiciary] to carry into action slavishly the assignments given them by their hierarchical chieftains. Unlike political parties, the Communist Party [thanks to a corrupted federal judiciary] acknowledges no constitutional or statutory limitations upon its conduct or upon that of its members [ANARCHISTS!, Form #08.020]. The Communist Party is relatively small numerically, and gives scant indication of capacity ever to attain its ends by lawful political means. The peril inherent in its operation arises not from its numbers, but from its failure to acknowledge any limitation as to the nature of its activities, and its dedication to the proposition that the present constitutional Government of the United States ultimately must be brought to ruin by any available means, including resort to force and violence [or using income taxes]. Holding that doctrine, its role as the agency of a hostile foreign power [the Federal Reserve and the American Bar Association (ABA)] renders its existence a clear present and continuing danger to the security of the United States. It is the means whereby individuals are seduced [illegally KIDNAPPED via identity theft!, Form #05.046] into the service of the world Communist movement [using FALSE information returns and other PERJURIOUS government forms, Form #04.001], trained to do its bidding [by FALSE government publications and statements that the government is not accountable for the accuracy of, Form #05.007], and directed and controlled [using FRANCHISES illegally enforced upon NONRESIDENTS, Form #05.030] in the conspiratorial performance of their revolutionary services. Therefore, the Communist Party should be outlawed

2. The U.S. Congress has said that EVERY member of society, and especially those working for the government, are “supposed to know the law” and be willing to talk about and obey it in EVERY setting, including in government correspondence or at an audit.

“The transaction by which these drafts were accepted was in direct violation of this law, and of the limitations which it imposes upon all officers of the government. Every citizen of the United States is supposed to know the law, and when a purchaser of one

*of these drafts began to make the inquiries necessary to ascertain the authority for their acceptance, he must have learned at once that, if received by Russell, [*683] Majors & Waddell, as payment, they were in violation of law, and if received as accommodation paper, they were evasions of this law, and without any shadow of authority.” 7 Wall. 666 [Floyd Acceptances, 7 Wall (74 U.S. 169) 666 (1869)]*

Finally, here is the way both the U.S. Supreme Court and Thomas Jefferson describe our duty toward the IRS:

“It would be a dangerous delusion were a confidence [faith] in the men of our choice [for public servants in the IRS] to silence our fears for the safety of our rights... Confidence is everywhere the parent of despotism. Free government is founded in jealousy, and not in confidence. It is jealousy and not confidence which prescribes limited constitutions, to bind down those whom we are obliged to trust with power... Our Constitution has accordingly fixed the limits to which, and no further, our confidence may go... In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution.”
[Thomas Jefferson: Draft Kentucky Resolutions, 1798. ME 17:388]

“Anyone entering into an arrangement with the government takes the risk of having accurately ascertained that he who purports to act for the government stays within the bounds of his authority, even though the agent himself may be unaware of the limitations upon his authority.”
[Federal Crop Insurance v. Merrill, 332 U.S. 380-388 (1947)]

“This case involves a cancer in our body politic [democracy, greed and wickedness and covetousness of our elected and appointed servants on a massive scale, see James 1:19-27 and Psalms 94:16-23]. It is a measure of the [socialism] disease which afflicts us...Those who already walk submissively will say there is no cause for alarm. But submissiveness is not our heritage. The First Amendment was designed to allow rebellion to remain as our Heritage. The Constitution was designed to keep the government off the backs of the people. The Bill of Rights was added to keep the precincts of belief and expression, of the press, of political and social activities free from surveillance. The Bill of Rights was designed to keep agents of government and official eavesdroppers away from Assemblies of People. The aim was to allow men to be free and independent to assert their rights against government. There can be no influence more paralyzing of that objective than Army [government] surveillance. When an intelligence officer looks over every nonconformist's shoulder in the library, or walks invisibly by his side in a picket line, or infiltrates his club [or forces him to submit an income tax return and then scrutinizes it for personal information or illegal activity], the America once extolled as the voice of liberty heard around the world no longer is [408 U.S. 1, 29] cast in the image which Jefferson and Madison designed, but more in the Russian [Communist!] image, depicted in Appendix III to this opinion.”
[Laird v. Tatum, 408 U.S. 1, 92 S.Ct. 2318 (1972)]

0.2 Starting off each topic with “Contention:” to shift the burden of proof AWAY from them and ONTO you

The IRS’s treatment of each subject in this pamphlet begins with “Contention:” as a way to trap all readers into helping the IRS avoid their OWN burden of proof that you consented to become a “taxpayer” in the first place. They allege that it is YOU, the READER who is contending something rather than them. It is a fundamental requirement of due process of law that the moving party always has the burden of proof. 5 U.S.C. §556(d). The purpose of this pamphlet is to convince every reader that EVERYONE is a statutory “taxpayer”, even though it deceptively never discloses that intended purpose. So they are in effect the moving party trying to satisfy the burden of proof that EVERYONE is a statutory “taxpayer”.

The I.R.S. knows that they can’t quote or enforce ANY of their statutes or regulations, including those cited in this pamphlet, against those who are NOT statutory “taxpayers” AND that they have the burden of proving that you CONSENTED to BECOME a statutory “taxpayer” BEFORE they may do so.

“The revenue laws are a code or system in regulation of tax assessment and collection. They [and all the superfluous court cites in this pamphlet as well] relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws...”

“The distinction between persons and things within the scope of the revenue laws and those without is vital.”
[Long v. Rasmussen, 281 F. 236].

None of the other arguments, court cites, statutes, or regulations they try to cite in this pamphlet applies at all to the reader or to any of the following and THEY have to prove that you ARE one of these things before any discussion or defense on your part is even necessary.:

1. “taxpayer”. 26 U.S.C. §7701(a)(14).
2. “person” (26 U.S.C. §7343, 26 U.S.C. §6671(b)).

It is also a fundamental concept of due process that you are INNOCENT until proven GUILTY, which means that you are neither a civil “taxpayer” nor civil “person” until THEY prove that you consented to the status. They never prove otherwise in this pamphlet with authorities that are even relevant to “non-resident non-persons” and “nontaxpayers”, who are the only people allowed to read or use our materials. How can they even prove this if NO ONE protected by the Constitution is even allowed to CONSENT to alienate an inalienable right per the Declaration of Independence and the definition of “inalienable”.

“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.--That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, -“
[Declaration of Independence]

“Unalienable. Inalienable; incapable of being aliened, that is, sold and transferred.”
[Black’s Law Dictionary, Fourth Edition, p. 1693]

Under the concept of sovereign immunity, those wishing to sue any government must prove that the government EXPRESSLY consented to be liable for and accountable to the statute in question. President Obama said in his first inauguration speech that ALL are equal, hence, if you have to prove the government’s consent, then THEY have to prove YOUR consent to become a statutory “person” and “taxpayer” BEFORE anything in this pamphlet is even relevant.

The government in turn, is one of delegated powers, which means that they got their sovereign immunity from YOU, the reader.

“The question is not what power the federal government ought to have, but what powers, in fact, have been given by the people... The federal union is a government of delegated powers. It has only such as are expressly conferred upon it, and such as are reasonably to be implied from those granted. In this respect, we differ radically from nations where all legislative power, without restriction or limitation, is vested in a parliament or other legislative body subject to no restriction except the discretion of its members.” (Congress)
[U.S. v. William M. Butler, 297 U.S. 1 (1936)]

The sovereign people can’t delegate any authority to “govern” to any government unless they ALSO individually and personally ALSO have that power. You have sovereign immunity just like them, and the only thing that can destroy it in a civil court is YOUR EXPRESS CONSENT proven with evidence on the record.

Nemo dat qui non habet. No one can give who does not possess. Jenk. Cent. 250.

Nemo plus juris ad alienum transfere potest, quam ispe habent. One cannot transfer to another a right which he has not. Dig. 50, 17, 54; 10 Pet. 161, 175.

Nemo potest facere per alium quod per se non potest. No one can do that by another which he cannot do by himself.

Qui per alium facit per seipsum facere videtur. He who does anything through another, is considered as doing it himself. Co. Litt. 258.

Quicquid acquiritur servo, acquiritur domino. Whatever is acquired by the servant, is acquired for the master. 15 Bin. Ab. 327.

Quod per me non possum, nec per alium. What I cannot do in person, I cannot do by proxy. 4 Co. 24.

[Bouvier's Maxims of Law, 1856;

SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouviersMaxims.htm>]

Furthermore, even if a court WANTED to declare you a “taxpayer” or “person” in the context of “taxes”, they are forbidden to.

United States Code
TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE
PART VI - PARTICULAR PROCEEDINGS
CHAPTER 151 - DECLARATORY JUDGMENTS
[Sec. 2201. Creation of remedy](#)

(a) In a case of actual controversy within its jurisdiction, except with respect to Federal taxes other than actions brought under section 7428 of the Internal Revenue Code of 1986, a proceeding under section 505 or 1146 of title 11,

or in any civil action involving an antidumping or countervailing duty proceeding regarding a class or kind of merchandise of a free trade area country (as defined in section 516A(f)(10) of the Tariff Act of 1930), as determined by the administering authority, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

(b) For limitations on actions brought with respect to drug patents see section 505 or 512 of the Federal Food, Drug, and Cosmetic Act.

Hence, ONLY YOU can make yourself a “taxpayer” and the only way you can do it is by lawfully occupying an elected or appointed public office in the national and not state government. The courts also cannot do INDIRECTLY that which they cannot do directly, which means that they can’t PRESUME you are a “taxpayer” or “person” or TREAT you like one until they PROVE at least that you consented to BE one in the context of a tax litigation.

“It is almost unnecessary to say, that what the legislature cannot do directly, it cannot do indirectly. The stream can mount no higher than its source. The legislature cannot create corporations with illegal powers, nor grant unconstitutional powers to those already granted.”
[Gelpcke v. City of Dubuque, 68 U.S. 175, 1863 WL 6638 (1863)]

“Congress cannot do indirectly what the Constitution prohibits directly.”
[Dred Scott v. Sandford, 60 U.S. 393, 1856 WL 8721 (1856)]

“In essence, the district court used attorney’s fees in this case as an alternative to, or substitute for, punitive damages (which were not available). The district court cannot do indirectly what it is prohibited from doing directly.”
[Simpson v. Sheahan, 104 F.3d. 998, C.A.7 (Ill.) (1997)]

“It is axiomatic that the government cannot do indirectly (i.e. through funding decisions) what it cannot do directly.”
[Com. of Mass. v. Secretary of Health and Human Services, 899 F.2d. 53, C.A.1 (Mass.) (1990)]

“Almost half a century ago, this Court made clear that the government “may not enact a regulation providing that no Republican ... shall be appointed to federal office.” Public Workers v. Mitchell, 330 U.S. 75, 100, 67 S.Ct. 556, 569, 91 L.Ed. 754 (1947). What the *78 First Amendment precludes the government**2739 from commanding directly, it also precludes the government from accomplishing indirectly. See Perry, 408 U.S., at 597, 92 S.Ct., at 2697 (citing Speiser v. Randall, 357 U.S. 513, 526, 78 S.Ct. 1332, 1342, 2 L.Ed.2d. 1460 (1958)); see supra, at 2735.”
[Rutan v. Republican Party of Illinois, 497 U.S. 62, 110 S.Ct. 2729, U.S. Ill. (1990)]

“Similarly, numerous cases have held that governmental entities cannot do indirectly that which they cannot do directly. See *841 Board of County Comm’rs v. Umbehr, 518 U.S. 668, 674, 116 S.Ct. 2342, 135 L.Ed.2d. 843 (1996) (holding that the First Amendment protects an independent contractor from termination or prevention of the automatic renewal of his at-will government contract in retaliation for exercising his freedom of speech); El Dia, Inc. v. Rossello, 165 F.3d. 106, 109 (1st Cir.1999) (holding that a government could not withdraw advertising from a newspaper which published articles critical of that administration because it violated clearly established First Amendment law prohibiting retaliation for the exercising of freedom of speech); North Mississippi Communications v. Jones, 792 F.2d. 1330, 1337 (5th Cir.1986) (same). The defendants violated clearly established Due Process and First Amendment law by boycotting the plaintiffs’ business in an effort to get them removed from the college.”
[Kinney v. Weaver, 111 F.Supp.2d. 831, E.D.Tex. (2000)]

THE TRUTH ABOUT FRIVOLOUS TAX ARGUMENTS

This responds to some of the more common frivolous legal arguments made by individuals and groups who oppose compliance with the federal tax laws. The first section groups these arguments under six general categories, with variations within each category. Each contention is briefly explained, followed by a discussion of the legal authority that rejects the contention. The second section responds to some of the more common frivolous arguments made in collection due process cases brought pursuant to sections [6320](#) or [6330](#). These arguments are grouped under ten general categories and contain a brief description of each contention followed by a discussion of the correct legal authority. A final section explains the penalties that the courts may impose on those who pursue tax cases on frivolous grounds.

The underlying implication above is that all persons who advocate any of the arguments in this document are in violation of the enacted positive law. This is a false premise. What we advocate is FULL COMPLIANCE WITH THE CONSTITUTION, and positive law statutes within the U.S. CODE and we show throughout the Great IRS Hoax book that the real criminals are those at the IRS, who abuse their authority and commit fraud by telling anyone that Subtitle A “income taxes” are mandatory or that they are “taxes” at all. A “tax” is a mandatory contribution, but these “taxes”, in fact, are technically “donations” and not taxes for the average American. This subject is covered in section 5.1.2 of the Great IRS Hoax book.

0.3 Use of the Word “Taxpayer” instead of “American National” or “national of the United States”***

26 U.S.C. §7701(a)(14) defines the word “taxpayer” as:

26 U.S.C. Section 7701(a)(14) Definitions

Taxpayer

The term “taxpayer” means any person subject to any internal revenue tax.

Now if we look up the definition of “subject to” in Black’s Law Dictionary, Sixth Edition, we find the following:

“Liable, subordinate, subservient, inferior, obedient to; governed or affected by; provided that; provided; answerable for. Homan v. Employers Reinsurance Corp., 345 Mo. 650, 136 S.W.2d. 289, 302. [Black’s Law Dictionary, Sixth Edition, p. 1425]

So being a “taxpayer” means being either someone who is liable to pay tax or who isn’t liable but who has chosen to “volunteer” for the tax or be subservient to it. When one volunteers for the tax, they are considered to be liable because they assess themselves and claim they have taxable income, even if their income is not, in fact, taxable. Self-assessment is the ONLY lawful way for a human being to become liable because Substitute for Returns (SFRs) or IRS executed assessments are prohibited.⁶ By definition then, a “taxpayer” is someone liable for paying tax no matter how you look at it. Incidentally, this is the term they use to describe EVERYONE, which by implication deceives EVERYONE into thinking they are liable for the tax. They win the war before it ever gets started just by the language they use. You have to watch these weasels!

In the following pages, the sneaky IRS very carefully uses the word “Taxpayer” instead of “all individuals” or “everyone” to confuse and deceive the reader. For instance, in question II.C.1, the title of the question is “Taxpayer is not a “citizen” of the United States, thus not subject to the federal income tax laws”. This question is a self-fulfilling contradiction. If one is a “taxpayer” then he is liable for tax, which implies that he must be a “person” subject to the Internal Revenue Code. There is no other logical way to look at it. Stupid questions like this show how the IRS corrupts and distorts our language to keep people focused on the wrong questions and arguing about the wrong things. The correct and more revealing and relevant questions, instead, are:

1. Does “taxpayer” mean any American?
2. Who are “taxpayers”?
3. What activity is subject to the indirect excise tax documented in Subtitle A of the I.R.C. ?

⁶ See *Why the Government Can’t Lawfully Assess Human Beings With an Income Tax Liability Without Their Consent*, Form #05.011; <https://sedm.org/Forms/FormIndex.htm>.

4. What does a sovereign American domiciled on nonfederal land who is not engaged in a “trade or business” liable for?

Until such time as the IRS meets the burden of proof imposed upon them under [5 U.S.C. §556\(d\)](#) to demonstrate with evidence that we are liable for Subtitle A income taxes, then we vehemently rebut such presumption through this document and the contents of the Great IRS Hoax book. Anyone that uses the term “taxpayer” to describe a “national” and a “nonresident alien” such as us will hear the following rebuttal:

I refuse to allow any IRS or State revenue office to call me or any client a "taxpayer". Just because I may look like one or have the attributes of one does not necessarily make me one. To one IRS lady, and I have no reason to doubt that she fits this category, I use the following example. "Miss you have all of the equipment to be a whore, but that does not make you one by presumption." Until it is proven by a preponderance of evidence I must assume you are a lady and you will be treated as such. Please have the same respect for me, and don't slander my reputation and defame my character by calling me a whore for the government, which is what a "taxpayer" is.

The IRS DOES NOT have the authority to bestow the status of “taxpayer” on anyone. Below is the cite confirming this from *Botta v. Scanlon*, 288 F.2d. 504, 508 (1961) held:

"A reasonable construction of the taxing statutes does not include vesting any tax official with absolute power of assessment against individuals not specified in the statutes as a person liable for the tax without an opportunity for judicial review of this status before the appellation of 'taxpayer' is bestowed upon them and their property is seized..."

Furthermore, 28 U.S.C. §2201 removes the authority of federal courts to declare that status on a sovereign American:

United States Code
TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE
PART VI - PARTICULAR PROCEEDINGS
CHAPTER 151 - DECLARATORY JUDGMENTS
[Sec. 2201. Creation of remedy](#)

(a) In a case of actual controversy within its jurisdiction, except with respect to Federal taxes other than actions brought under section 7428 of the Internal Revenue Code of 1986, a proceeding under section 505 or 1146 of title 11, or in any civil action involving an antidumping or countervailing duty proceeding regarding a class or kind of merchandise of a free trade area country (as defined in section 516A(f)(10) of the Tariff Act of 1930), as determined by the administering authority, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

(b) For limitations on actions brought with respect to drug patents see section 505 or 512 of the Federal Food, Drug, and Cosmetic Act.

The federal courts themselves agree that they do not have the jurisdiction to bestow the status of “taxpayer” upon someone who is a “nontaxpayer” also!:

"And by statutory definition the term "taxpayer" includes any person, trust or estate subject to a tax imposed by the revenue act. ...Since the statutory definition of taxpayer is exclusive, the federal [and state] courts do not have the power to create nonstatutory taxpayers for the purpose of applying the provisions of the Revenue Acts..."
[C.I.R. v. Trustees of L. Inv. Ass'n., 100 F.2d.18 (1939)]

“We the People”, as the Sovereigns, enjoy an especial status as a "nontaxpayer" until such time as we take on the mantle of an artificial entity and by implication of the special privilege we engage in and the special license required we may surrender our sovereign status and become a "taxpayer"....but this event cannot take place without full knowledge and willful participation by the individual. For cases dealing with the term "nontaxpayer" see: *Long v. Rasmussen*, 281 F. 236, 238 (1922); *Rothensis v. Ullman*, 110 F.2d. 590(1940); *Raffaele v. Granger*, 196 F.2d. 620 (1952); *Bullock v. Latham*, 306 F.2d. 45 (1962); *Economy Plumbing & Heating v. United States*, 470 F.2d. 585 (1972); and *South Carolina v. Ragan*, 465 U.S. 367 (1984).

"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."

"The distinction between persons and things within the scope of the revenue laws and those without is vital."
[Long v. Rasmussen, 281 F. 236 @ 238(1922)]

0.4 Abuse of the word “law”

Each section of IRS propaganda starts off with the phrase “The Law”. In this section, you see references to the Internal Revenue Code, 26 U.S.C., and the implementing regulations found at 26 C.F.R.. The presumption they are trying to establish is that the Internal Revenue Code is “law”. In fact, this is simply NOT the case. What the IRS conveniently fails to point out is that the legislative notes for 1 U.S.C. §204 state that the Internal Revenue Code was NEVER enacted into positive law but stands as simply “prima facie evidence of law”. This means it is “presumed” to be law until challenged or proven otherwise. Any judge who insists that you treat it as “law” in effect is asking you to “trust that the government is honest”, which this pamphlet proves simply is NOT the case. Anything involving presumption is a not only a violation of due process, but also a sin within the Bible in Numbers 15:30, NKVJ.

*“Due process of law. Law in its regular course of administration through courts of justice. Due process of law in each particular case means such an exercise of the powers of the government as the settled maxims of law permit and sanction, and under such safeguards for the protection of individual rights as those maxims prescribe for the class of cases to which the one in question belongs. A course of legal proceedings according to those rules and principles which have been established in our systems of jurisprudence for the enforcement and protection of private rights. To give such proceedings any validity, there must be a tribunal competent by its constitution—that is, by the law of the creation—to pass upon the subject-matter of the suit; and, if that involves merely a determination of the personal liability of the defendant, he must be brought within its jurisdiction by service of process within the state, or his voluntary appearance. Pennoyer v. Neff, 96 U.S. 733, 24 L.Ed. 565. Due process of law implies the right of the person affected thereby to be present before the tribunal which pronounces judgment upon the question of life, liberty, or property, in its most comprehensive sense; to be heard, by testimony or otherwise, and to have the right of controverting, by proof, every material fact which bears on the question of right in the matter involved. **If any question of fact or liability be conclusively be presumed [rather than proven] against him, this is not due process of law.**”*
[Black’s Law Dictionary, Sixth Edition, p. 500]

The only way any legal proceeding which cited the I.R.C. as authority WOULDN’T be a violation of due process is if the moving party who was citing it as authority was required to prove in the case of the I.R.C. section he was citing that:

1. The specific section he was citing was enacted into positive law by showing that the act of Congress upon which it was based was enacted into positive law.
2. That the accused maintains a domicile or committed the crime in the “United States”, which is identified as the District of Columbia in 26 U.S.C. §7701(a)(9) and (a)(10).
3. That the government had subject matter jurisdiction over the defendant.

In practice, the above NEVER happens in courts of INjustice. Therefore, all trials based on the I.R.C. are simply religious inquisitions and not valid legal processes. We prove this in section 5.4.3.6 of the Great IRS Hoax book. The Internal Revenue Code is NOT “positive law”, which means that it is not “law” at all. Here are the legislative notes under the above section proving this:

Title 26, Internal Revenue Code

The Internal Revenue Code of 1954 was enacted in the form of a separate code [not “law”, but “code”] by act Aug. 16, 1954, ch. 736, 68A Stat. 1. Pub. L. 99-514, § 2(a), Oct. 22, 1986, 100 Stat. 2095, provided that the Internal Revenue Title enacted [into what?] Aug. 16, 1954, as heretofore, hereby, or hereafter amended, may be cited as the “Internal Revenue Code of 1986”. The sections of Title 26, United States Code, are identical to the sections of the Internal Revenue Code.

In fact, the I.R.C. has been REPEALED since 1939. See 53 Stat. 1, Section 4 at:

<http://famguardian.org/Disks/LawDVD/Federal/RevenueActs/Revenue%20Act%20of%201939.pdf>

When it was repealed, all prior revenue statutes were also repealed with it, leaving it completely without any foundation whatsoever. If it is not “law”, then what exactly is it? It is a “code” or a “title” or a “statute”, but according to the Supreme Court, it is neither “law”, nor “legislation”:

*“To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. **This is not legislation. It is a decree under legislative forms.**”*

***Nor is it taxation.** ‘A tax,’ says Webster’s Dictionary, ‘is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.’ ‘Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.’ Cooley, Const. Lim., 479.”*
[Loan Association v. Topeka, 20 Wall. 655 (1874)]

"In Calder v. Bull, which was here in 1798, Mr. Justice Chase said, that there were acts which the Federal and State legislatures could not do without exceeding their authority, and among them he mentioned a law which punished a citizen for an innocent act; a law that destroyed or impaired the lawful private [labor] contracts [and labor compensation, e.g. earnings from employment through compelled W-4 withholding] of citizens; a law that made a man judge in his own case; and a law that took the property from A [the worker], and gave it to B [the government or another citizen, such as through social welfare programs]. 'It is against all reason and justice,' he added, 'for a people to intrust a legislature with such powers, and therefore it cannot be presumed that they have done it. They may command what is right and prohibit what is wrong; but they cannot change innocence into guilt, or punish innocence as a crime, or violate the right of an antecedent lawful private [employment] contract [by compelling W-4 withholding, for instance], or the right of private property. To maintain that a Federal or State legislature possesses such powers [of THEFT!] if they had not been expressly restrained, would, in my opinion, be a political heresy altogether inadmissible in all free republican governments.'" 3 Dall. 388."
[Sinking Fund Cases, 99 U.S. 700 (1878)]

The government's own statistics from the Treasury Financial Management website confirm, in fact, that over half of the monies collected by the Internal Revenue Service under the authority of the I.R.C. are used for wealth transfer, and do not support the government. That is illegal robbery disguised to "look" like legitimate "taxation". See:

<http://famguardian.org/Subjects/Taxes/Research/Analysis-011020.pdf>

Consequently, the "code" cannot rise to the level of being "law" and is therefore unenforceable. Theft disguised to "look" like legitimate taxation can never be "law". According to our Declaration of Independence, all just powers of government derive from the consent of the governed. The only thing that can be "law" is that which the people consented to through their elected representatives. The people couldn't consent to a direct tax within states of the Union because it would violate 1:9:4 and 1:2:3 of the Constitution. Therefore, the Internal Revenue "code" could not be enacted into "positive law". Consequently, it can never be enforced against people in the states of the Union. To enforce robbery disguised as "taxation" against people who never consented to it would be unjust.

Since the I.R.C. is a "code" or a "title" or a VOLUNTARY "trade or business"/public office franchise but not a "law", then it is nothing more than a state-sponsored federal religion in violation of the First Amendment, not unlike the early Anglican church was in England. The equivalent of "faith" in the religious realm is "presumption and trust" in the legal realm. Here is what the Bible says about having "faith" or "trust" or "presumption of confidence" in any man or lawyer or government:

*"It is better to trust the Lord
 Than to put confidence in man.
It is better to trust in the Lord
 Than to put confidence in princes."*
[Psalms 118:8-9, Bible, NKJV]

Thomas Jefferson echoed the very same sentiments when he said on the same subject:

"It would be a dangerous delusion were a confidence in the men of our choice to silence our fears for the safety of our rights... Confidence [and presumption] is everywhere the parent of despotism. Free government is founded in jealousy, and not in confidence. It is jealousy and not confidence which prescribes limited constitutions, to bind down those whom we are obliged to trust with power... Our Constitution has accordingly fixed the limits to which, and no further, our confidence may go... In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."
[Thomas Jefferson: Draft Kentucky Resolutions, 1798. ME 17:388]

At the point when the I.R.C. was repealed in 1939, it became a state-sponsored federal religion and a cult promoted mainly by the abuses and "judge-made law" of the federal judiciary. Those abuses accelerated in 1932, when Congress compromised the independence and integrity of the federal courts by making judges permanently subject to IRS extortion for the first time. Since the I.R.C. was never enacted into positive law, then it stands simply as "prima facie evidence" of law, which means "presumptive evidence" that is not admissible in any legitimate legal proceeding. Anything involving presumption, if it injures constitutionally protected rights, is a violation of due process under the Fifth Amendment and also happens to be a Biblical sin under Numbers 15:30 and Psalms 19:12-13. No court can demand that a person violate their religious beliefs by presuming anything, and any judicial proceeding involving a violation of judicial process is a void judgment that is reversible at any time. There is no statute of limitation for violation of due process.

Absent explicit written consent both in the Constitution and in the federal laws that implement it, the only parties that any statute can be enforced against absent implementing regulations are federal instrumentalities, officers, and "employees". There are no implementing regulations authorizing any kind of IRS enforcement actions, and therefore, the IRS can only enforce against federal employees. This requirement is imposed by 26 C.F.R. §601.702(a)(2)(ii), which says:

(ii) Effect of failure to publish.

Except to the extent that a person has actual and timely notice of the terms of any matter referred to in subparagraph (1) of this paragraph which is required to be published in the Federal Register, such person is not required in any manner to resort to, or be adversely affected by, such matter if it is not so published or is not incorporated by reference therein pursuant to subdivision (i) of this subparagraph. Thus, for example, any such matter which imposes an obligation and which is not so published or incorporated by reference will not adversely change or affect a person's rights.

The above requirement is also confirmed by the following authorities, which expressly exempt the following three groups from the requirement for implementing regulations:

1. A military or foreign affairs function of the United States. [5 U.S.C. §553\(a\)\(1\)](#).
2. A matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts. [5 U.S.C. §553\(a\)\(2\)](#).
3. Federal agencies or persons in their capacity as officers, agents, or employees thereof. [44 U.S.C. §1505\(a\)\(1\)](#).

Consistent with the above, our website disclaimer defines “law” as follows:

Family Guardian Disclaimer

Section 4: Meaning of Words

The term "law" is defined as follows:

“[True Law](#) is right reason [in agreement with Nature](#), it is of universal application, unchanging and everlasting; it summons to duty by its commands and averts from wrong-doing by its prohibitions. And it does not lay its commands or prohibitions upon good men in vain, although neither have any effect upon the wicked. It is a sin to try to alter this law, nor is it allowable to try to repeal a part of it, and it is impossible to abolish it entirely. We cannot be freed from its obligations by Senate or People, and we need not look outside ourselves for an expounder or interpreter of it. And there will not be different laws at Rome or at Athens, or different laws now and in the future, but one [eternal and unchangeable law](#) will be valid for all times and all nations, and there will be one master and one rule, that is God, for He is the author of [this law](#), its promulgator, and its enforcing judge.”
[Marcus Tullius Cicero, 106-43 B.C.]

“Power and law are not synonymous. In truth, they are frequently in opposition and irreconcilable. There is [God's Law](#) from which [all equitable laws of man](#) emerge and by which men must live if they are not to die in oppression, chaos and despair. Divorced from [God's eternal and immutable Law](#), established before the founding of the suns, man's power is evil no matter the noble words with which it is employed or the motives urged when enforcing it. Men of good will, mindful therefore of the [Law laid down by God](#), will oppose governments whose rule is by men, and if they wish to survive as a nation they will destroy the [\[de facto\] government](#) which attempts to adjudicate by the whim of venal judges.”
[Marcus Tullius Cicero, 106-43 B.C.]

“Law” is defined to EXCLUDE any and all [civil statutory codes, franchises, or privileges](#) in relation to any and all governments and to include ONLY the COMMON law, the CONSTITUTION (if trespassing government actors ONLY are involved), and the CRIMINAL law.

The Court developed, for its own governance in the cases confessedly within its jurisdiction, a series of rules under which it has avoided passing upon a large part of all the constitutional questions pressed upon it for decision. They are:

[...]

6. The Court will not pass upon the constitutionality of a statute at the instance of one who has availed himself of its benefits. [FN7 Great Falls Mfg. Co. v. Attorney General, 124 U.S. 581, 8 S.Ct. 631, 31 L.Ed. 527; Wall v. Parrot Silver & Copper Co., 244 U.S. 407, 411, 412, 37 S.Ct. 609, 61 L.Ed. 1229; St. Louis Malleable Casting Co. v. Prendergast Construction Co., 260 U.S. 469, 43 S.Ct. 178, 67 L.Ed. 351.](#)

[FN7 Compare Electric Co. v. Dow, 166 U.S. 489, 17 S.Ct. 645, 41 L.Ed. 1088; Pierce v. Somerset Ry., 171 U.S. 641, 648, 19 S.Ct. 64, 43 L.Ed. 316; Leonard v. Vicksburg, etc., R. Co., 198 U.S. 416, 422, 25 S.Ct. 750, 49 L.Ed. 1108. \[Ashwander v. Tennessee Valley Authority, 297 U.S. 288, 56 S.Ct. 466 \(1936\)\]](#)

Municipal law, thus understood, is properly defined to be "a rule of civil conduct prescribed by the supreme power in a state, commanding what is right and prohibiting what is wrong."

[. . .]

It is also called a rule to distinguish it from a compact or agreement; **for a compact is a promise proceeding from us, law is a command directed to us.** The language of a compact is, "I will, or will not, do this"; that of a law is, "thou shalt, or shalt not, do it." It is true there is an obligation which a compact carries with it, equal in point of conscience to that of a law; but then the original of the obligation is different. **In compacts we ourselves determine and promise what shall be done, before we are obliged to do it; in laws, we are obliged to act without ourselves determining or promising anything at all.** Upon these accounts law is defined to be "a rule."
[Readings on the History and System of the Common Law, Second Edition, Roscoe Pound, 1925, p. 4]

"The words "privileges" and "immunities," like the greater part of the legal phraseology of this country, have been carried over from the law of Great Britain, and recur constantly either as such or in equivalent expressions from the time of Magna Charta. For all practical purposes they are synonymous in meaning, and originally signified a peculiar right or private law conceded to particular persons or places **whereby a certain individual or class of individuals was exempted from the rigor of the common law.** Privilege or immunity is conferred upon any person when he is invested with a legal claim to the exercise of special or peculiar rights, authorizing him to enjoy some particular advantage or exemption."

[The Privileges and Immunities of State Citizenship, Roger Howell, PhD, 1918, pp. 9-10;

SOURCE:

http://famguardian.org/Publications/ThePrivAndImmOfStateCit/The_privileges_and_immunities_of_state_c.pdf

See Magill v. Browne, Fed.Cas. No. 8952, 16 Fed.Cas. 408; 6 Words and Phrases, 5583, 5584; A J. Lien, "Privileges and Immunities of Citizens of the United States," in Columbia University Studies in History, Economics, and Public Law, vol. 54, p. 31.

"What, then, is [\[civil\] legislation](#)? It is an [assumption \[presumption\]](#) by one man, or body of men, of absolute, irresponsible dominion [because of abuse of [sovereign immunity](#) and the [act of "CONSENT"](#) by calling yourself a "citizen"] over all other men whom they call subject to their power. It is the assumption by one man, or body of men, of a right to subject all other men to their will and their service. It is the assumption by one man, or body of men, of a right to abolish outright all the natural rights, all the natural liberty of all other men; to make all other men their slaves; to arbitrarily dictate to all other men what they may, and may not, do; what they may, and may not, have; what they may, and may not, be. It is, in short, the assumption of a right to banish the [principle of human rights](#), the [principle of justice itself](#), from off the earth, and set up their own personal will [society of men and not law], pleasure, and interest in its place. All this, and nothing less, is involved in the very idea that there can be any such thing as [human \[CIVIL\] legislation](#) that is obligatory upon those upon whom it is imposed [and ESPECIALLY those who never expressly consented in writing]."

[Natural Law, Chapter 1, Section IV, Lysander Spooner;

SOURCE: <http://famguardian.org/PublishedAuthors/Indiv/SpoonerLysander/NaturalLaw.htm>

The above methods of REMOVING the protections of the common law and the constitution from the INALIENABLE rights [rights that CANNOT lawfully be given away, even WITH consent] that are protected by them has been described by the U.S. Congress as the ESSENCE of [communism](#) itself! This is especially true when you add games with legal words of art to remove even the STATUTORY limitations upon the conduct of the government. See [Legal Deception, Propaganda, and Fraud, Form #05.014](#).

[TITLE 50 > CHAPTER 23 > SUBCHAPTER IV > Sec. 841.](#)
[Sec. 841. - Findings and declarations of fact](#)

The Congress finds and declares that the Communist Party of the United States [consisting of the IRS, DOJ, and a **corrupted federal judiciary**], although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the [de jure] Government of the United States [and replace it with **a de facto government ruled by the judiciary**]. It constitutes an **authoritarian dictatorship** [IRS, DOJ, and corrupted federal judiciary in collusion] within a [\[constitutional\] republic](#), demanding for itself the rights and [\[FRANCHISE\] privileges](#) [including immunity from prosecution for their wrongdoing in violation of [Article 1, Section 9, Clause 8 of the Constitution](#)] accorded to political parties, but **denying to all others the liberties** [Bill of Rights] guaranteed by the Constitution [Form #10.002]. Unlike political parties, which evolve their policies and programs through public means, by the reconciliation of a wide variety of individual views, and submit those policies and programs to the electorate at large for approval or disapproval, the policies and programs of the Communist Party are secretly [by corrupt judges and the IRS **in complete disregard of**, Form #05.014, the **tax franchise "codes"**, Form #05.001] prescribed for it by the foreign leaders of the world Communist movement [the IRS and Federal Reserve]. Its members [the Congress, which was **terrorized to do IRS bidding by the framing of Congressman Traficant**] have no part in determining its goals, and are not permitted to voice dissent to party objectives. Unlike members of political parties, members of the Communist Party are recruited for indoctrination [in [the public FOOL system](#) by homosexuals, liberals, and socialists] with respect to its objectives and methods, and are organized, instructed, and disciplined [by the IRS and

a corrupted judiciary] to carry into action slavishly the assignments given them by their hierarchical chieftains. Unlike political parties, the Communist Party [thanks to a [corrupted federal judiciary](#)] **acknowledges no constitutional or statutory limitations upon its conduct or upon that of its members [ANARCHISTS!, Form #08.020].** The Communist Party is relatively small numerically, and gives scant indication of capacity ever to attain its ends by lawful political means. **The peril inherent in its operation arises not from its numbers, but from its failure to acknowledge any limitation as to the nature of its activities, and its dedication to the proposition that the present constitutional Government of the United States ultimately must be brought to ruin by any available means, including resort to force and violence [or using income taxes].** Holding that doctrine, its role as the agency of a hostile [foreign power](#) [the Federal Reserve and the American Bar Association (ABA)] renders its existence a clear present and continuing danger to the security of the United States. It is the means whereby individuals are seduced [illegally KIDNAPPED via identity theft!, Form #05.046] into the service of the world Communist movement [using FALSE information returns and other PERJURIOUS government forms, Form #04.001], trained to do its bidding [by FALSE government publications and statements that the government is not accountable for the accuracy of, Form #05.007], and directed and controlled [using FRANCHISES illegally enforced upon NONRESIDENTS, Form #05.030] in the conspiratorial performance of their revolutionary services. **Therefore, the Communist Party should be outlawed**

The above corruption of our Constitutional Republic by the unconstitutional abuse of franchises, the violation of the rules of statutory construction, and interference with common law remedies was described by the U.S. Supreme Court as follows:

"These are words of weighty import. They involve consequences of the most momentous character. I take leave to say that if the principles thus announced should ever receive the sanction of a majority of this court, a radical and mischievous change in our system of government will be the result. We will, in that event, pass from the era of constitutional liberty guarded and protected by a written constitution into an era of legislative absolutism.

*Although from the foundation of the Government this court has held steadily to the view that the Government of the United States was one of enumerated powers, and that no one of its branches, nor all of its branches combined, could constitutionally exercise powers not granted, or which were not necessarily implied from those expressly granted, [Martin v. Hunter, 1 Wheat. 304, 326, 331](#), we are now informed that Congress possesses powers outside of the Constitution, and may deal with new territory, [380*380](#) acquired by treaty or conquest, in the same manner as other nations have been accustomed to act with respect to territories acquired by them. In my opinion, Congress has no existence and can exercise no authority outside of the Constitution. Still less is it true that Congress can deal with new territories just as other nations have done or may do with their new territories. This nation is under the control of a written constitution, the supreme law of the land and the only source of the powers which our Government, or any branch or officer of it, may exert at any time or at any place. Monarchical and despotic governments, unrestrained by written constitutions, may do with newly acquired territories what this Government may not do consistently with our fundamental law. To say otherwise is to concede that Congress may, by action taken outside of the Constitution, engraft upon our republican institutions a colonial system such as exists under monarchical governments. Surely such a result was never contemplated by the fathers of the Constitution. If that instrument had contained a word suggesting the possibility of a result of that character it would never have been adopted by the People of the United States. The idea that this country may acquire territories anywhere upon the earth, by conquest or treaty, and hold them as mere colonies or provinces — the people inhabiting them to enjoy only such rights as Congress chooses to accord to them — is wholly inconsistent with the spirit and genius as well as with the words of the Constitution."*

[Downes v. Bidwell, [182 U.S. 244](#) (1901), Justice Harlan, Dissenting]

Civil statutory codes, franchises, or privileges are referred to on this website as "private law", but not "law". The word "public" precedes all uses of "law" when dealing with acts of government and hence, refers only to COMMON law and CRIMINAL law that applies equally to everyone, regardless of [their consent](#). Involvement in any and all ["private law" franchises or privileges](#) offered by any government ALWAYS undermines and threatens sovereignty, autonomy, and [equality](#), turns government into an [unconstitutional civil religion](#), and [corrupts even the finest of people](#). This is explained in:

[Government Instituted Slavery Using Franchises, Form #05.030](#)

Any use of the word "law" by any government actor directed at us or any member, if not clarified with the words "private" or "public" in front of the word "law" shall constitute:

1. A criminal attempt and conspiracy to recruit us to be [a public officer called a "person", "taxpayer", "citizen", "resident", etc.](#)
2. A solicitation of [illegal bribes called "taxes"](#) to treat us "AS IF" we are a public officer.
3. A criminal conspiracy [to convert PRIVATE rights into PUBLIC rights](#) and to violate the Bill of Rights.

The protection of PRIVATE rights mandated by the Bill of Rights BEGINS with and requires:

1. ALWAYS keeping PRIVATE and PUBLIC rights separated and never mixing them together.
2. Using unambiguous language about the TYPE of "right" that is being protected: PUBLIC or PRIVATE in every use of the word "right". The way to avoid confusing PUBLIC and PRIVATE RIGHTS is to simply refer to PRIVATE rights as "privileges" and NEVER refer to them as "rights".
3. Only converting PRIVATE rights to PUBLIC rights with the express written consent of the HUMAN owner.

4. Limiting the conversion to geographical places where rights are NOT unalienable. This means the conversion must occur either abroad or on government territory not within the exclusive jurisdiction of a Constitutional state. Otherwise, the Declaration of Independence, which is organic law, would be violated.
5. Keeping the rules for converting PRIVATE to PUBLIC so simple, unambiguous, and clear that a child could understand them and always referring to these rules in every interaction between the government and those they are charged with protecting.
6. Ensuring that in every interaction (and ESPECIALLY ENFORCEMENT ACTION) between the government both administratively and in court, that any right the government claims to civilly enforce against, regulate, tax, or burden otherwise PRIVATE property is proven ON THE RECORD IN WRITING to originate from the rules documented in the previous step. This BURDEN OF PROOF must be met both ADMINISTRATIVELY and IN COURT BEFORE any enforcement action may be lawfully attempted by any government. It must be met by an IMPARTIAL decision maker with NO FINANCIAL interest in the outcome and not employed by the government or else a criminal financial conflict of interest will result. In other words, the government has to prove that it is NOT stealing before it can take property, that it is the lawful owner, and expressly HOW it became the lawful owner.
7. Enforcing the following CONCLUSIVE PRESUMPTION against government jurisdiction to enforce unless and until the above requirements are met:

“All rights and property are PRESUMED to be EXCLUSIVELY PRIVATE and beyond the control of government or the CIVIL statutory franchise codes unless and until the government meets the burden of proving, WITH EVIDENCE, on the record of the proceeding that:

1. A SPECIFIC formerly PRIVATE owner consented IN WRITING to convert said property to PUBLIC property.
2. The owner was either abroad, domiciled on, or at least PRESENT on federal territory NOT protected by the Constitution and therefore had the legal capacity to ALIENATE a Constitutional right or relieve a public servant of the fiduciary obligation to respect and protect the right. Those physically present but not necessarily domiciled in a constitutional but not statutory state protected by the constitution cannot lawfully alienate rights to a real, de jure government, even WITH their consent.
3. If the government refuses to meet the above burden of proof, it shall be CONCLUSIVELY PRESUMED to be operating in a PRIVATE, corporate capacity on an EQUAL footing with every other private corporation and which is therefore NOT protected by official, judicial, or sovereign immunity.”

For a detailed exposition on the mandatory separation between PUBLIC and PRIVATE as indicated above, please see the following course on our site:



[Separation Between Public and Private Course, Form #12.025](#)

For a detailed exposition of the legal meaning of the word "law" and why the above restrictions on its definition are important, see:



[What is "law"? Form #05.048](#)

[Family Guardian Disclaimer, Section 4; <https://famguardian.org/disclaimer.htm>]

For further information on the subject of this section, see:

1. [What is "law"? Form #05.048](#); <http://sedm.org/Forms/05-MemLaw/WhatIsLaw.pdf>.
2. [What is "law"? SEDM](#); <https://sedm.org/what-is-law/>
3. [What is "law"? Nike Insights](#); <https://nikeinsights.famguardian.org/forums/topic/what-is-law/>
4. [How Much Criminalization Will You Tolerate From Your Government?](#), Freedom Taker; <https://youtu.be/EZTMKfTP6P0>
5. [The Government Mafia](#), Clint Richardson; <http://famguardian1.org/Mirror/SEDM/Media/MafiaGovt.mp4>

0.5 Abuse and ambiguous use of the word “tax”

A constitutional, legitimate “tax” cannot support anything but the government. The government CANNOT use its taxing powers as a means of wealth redistribution, as it currently does:

“A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the support of the government. The word has never thought to connote the expropriation of money from one group for the benefit of another.”

"To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms."

Nor is it taxation. 'A tax,' says Webster's Dictionary, 'is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.' 'Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.' Cooley, Const. Lim., 479."
[*Loan Association v. Topeka*, 20 Wall. 655 (1874)]

In fact, the government CANNOT compel ANYONE to contribute to the welfare of his neighbor. Churches and families, under God's law, have EXCLUSIVE jurisdiction over charity and social welfare and the government is usurping their sovereignty by abusing its taxing powers to compete with them in this subject matter. The ONLY legitimate purpose of government is to protect individuals from harming each other and not a bit more. Consequently, participation in any socialist program or the taxation programs that support it MUST be voluntary, according to the Supreme Court:

"Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness; and to 'secure,' not grant or create, these rights, governments are instituted. That property which a man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit; second, that if he devotes it to a public use, he gives to the public a right to control that use; and third, that whenever the public needs require, the public may take it upon payment of due compensation."
[*Budd v. People of State of New York*, 143 U.S. 517 (1892)]

Therefore, there is absolutely no basis in law to say that Social Security, Welfare, TANIF, Medicare, Medicaid, or FICA are mandatory programs or even legitimate "taxes". It also amounts to organized crime, racketeering, and a violation of 18 U.S.C. §597 (Expenditures to influence voting) to bribe older voters with the proceeds of extortion collected from younger workers who do not wish to participate in order to get them to abuse their voting rights to continue the socialist flow of "stolen loot". This explains why Title 42 of the U.S. Code, which codifies the Social Security Act, was never enacted into "positive law" and simply cannot be. Instead, these programs are simply "donations" or charity programs disguised by clever lawyers using "words of art" to "appear" like enforceable "taxes". This is a FRAUD upon the public that the courts have a Constitutional duty to expose and remedy.

Also, throughout this document, the IRS does not specify precisely the type of "tax" they are referring to when asserting that it must be paid or for which the subject is allegedly liable. For instance, nowhere do they mention "Subtitle A" income tax, but instead lump all subtitles together into a vague whole. For all we know, they could be referring to Alcohol, Tobacco, and Firearms taxes under subtitles D and E, for which there is a definite liability, and which are completely different from income taxes under Subtitle A. This deliberate lack of precision and clarity in their language gives the IRS and the government room to deceive and create a false impression when more specific language would not allow them to do so. This is part of the "psyops" that they like to use to trick sovereign Americans into falsely believing that they are "taxpayers" liable for paying Subtitle A income taxes.

0.6 Abuse of the phrase "Relevant Case Law"

In every section of the IRS' propaganda pamphlet, they use the phrase "Relevant Case Law". We need to ask ourselves:

"To WHOM is it relevant? Is it relevant to a human being who is not a statutory 'person' because not domiciled on federal territory? Is it "relevant" to those who are a 'nontaxpayer' and who have no earnings from a 'trade or business', and who reside on land not subject to the exclusive jurisdiction of the federal government?"

The answer to the above is NO, and this is precisely the condition that applies to most people who maintain a legal domicile within states of the Union. Federal Rule of Civil Procedure 17(b) dictates the choice of law in all disputes in federal civil court, and it requires that those not domiciled in the STATUTORY "United States" defined in 26 U.S.C. §7701(a)(9) AND (A)(10) MAY not HAVE federal civil law, INCLUDING the civil provisions of the entire Internal Revenue Code, cited or enforced against them in federal court.

[IV. PARTIES > Rule 17.](#)
[Rule 17. Parties Plaintiff and Defendant; Capacity](#)

(b) Capacity to Sue or be Sued.

Capacity to sue or be sued is determined as follows:

(1) for an individual who is not acting in a representative capacity, by the law of the individual's domicile;

(2) for a corporation, by the law under which it was organized; and

(3) for all other parties, by the law of the state where the court is located, except that:

(A) a partnership or other unincorporated association with no such capacity under that state's law may sue or be sued in its common name to enforce a substantive right existing under the United States Constitution or laws; and

(B) 28 U.S.C. §§754 and 959(a) govern the capacity of a receiver appointed by a United States court to sue or be sued in a United States court.

[SOURCE: <http://www.law.cornell.edu/rules/frcp/Rule17.htm>]

Any attempt to violate the above rule results in the following:

1. The abuse of irrelevant case law as the equivalent of “political propaganda”.
2. The court acting in a POLITICAL rather than LEGAL capacity against “non-resident non-person”.
3. A violation of the separation of powers doctrine, because judges are simultaneously acting as Executive Branch franchise administrators AND constitutional Article III judges in the Judicial Branch. This creates a financial conflict of interest in violation of 28 U.S.C. §§144, 455 and 18 U.S.C. §208.
4. Identity theft in violation of 42 U.S.C. §405(c)(2)(C)(i), 42 U.S.C. §408(a)(7), 18 U.S.C. §1028(a)(7), and 18 U.S.C. §1028A.
5. Impersonating a public officer in violation of 18 U.S.C. § 912. All “taxpayers” are public officers in the national government. Public rights can ONLY attach to public offices and not PRIVATE humans.

Federal District Courts, with the exception of two, are all Article IV legislative franchise courts which are not part of the Judicial Branch of the government and do not have Article III judges who can rule on rights, within the context of the Constitution. This is exhaustively proven with thousands of pages of supporting evidence in:

What Happened to Justice?, Form #06.012

<http://sedm.org/Forms/FormIndex.htm>

To cite case law from these courts and then misapply it to people in states of the Union is an abuse of the legal process for political purposes. Very few people domiciled in the exclusive jurisdiction of states of the Union are either STATUTORY “citizens”, or are domiciled within any “United States Judicial District” or Internal Revenue District”, as these terms are legally defined. All United States Judicial Districts consist entirely and exclusively of land within the exterior limits of the district that is under the exclusive jurisdiction of Congress. The remainder of the district court subject matter jurisdiction is limited exclusively to federal employees and federal property within the exterior limits of the district. Federal courts have no subject matter jurisdiction over the lives of most Americans and their rulings are IRRELEVANT to most Americans. It is therefore reckless at best and malicious at worst to use the phrase “Relevant Case Law” without manifesting any of the following forms of good faith:

1. Distribute the pamphlet to an audience that it is not intended for
2. Use the word “relevant” without defining to WHOM it is relevant.
3. Not put a legal warning or disclaimer at the beginning of the pamphlet listing exactly what audience the pamphlet is relevant to.
4. Refuse to answer questions about the audience that it is relevant to.

The IRS’ own [Internal Revenue Manual \(I.R.M.\), Section 4.10.7.2.9.8](#) states on this subject:

“Decisions made at various levels of the court system... may be used by either examiners or taxpayers to support a position... A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence over decisions of lower courts... Decisions made by lower courts, such as Tax Court, District Courts, or Claims Court, are binding on the Service only for the particular taxpayer and the years litigated. Adverse decisions of lower courts do not require the Service to alter its position for other taxpayers.”

[\[Internal Revenue Manual \(I.R.M.\), Section 4.10.7.2.9.8 \(05/14/99\)\]](#)

You will note, in particular, that the IRS rebuttal to most arguments in this pamphlet relies on cases that violate the above rule and policy. If cases below the U.S. Supreme Court do not bind the “service”, then equal protection demanded by the Constitution requires that they don’t bind the average American either. For instance, everything from the U.S. Tax Court, abbreviated “T.C.M” or “T.C.” is binding on no more than ONE taxpayer for the current tax year and not on all taxpayers generally. Furthermore, the U.S. Tax Court “is a kangaroo court” that is run very informally by non-attorneys. U.S. Tax Court, for instance, isn’t even a part of the Judicial Branch of the U.S. Government, but instead is a legislative “franchise

court” created pursuant to Article I of the Constitution that is in the Legislative and not Judicial Branch, and it is staffed by the IRS! It’s no wonder the sneaky IRS would quote rulings from the Tax Court to sustain their frail position that even they wouldn’t use to defend themselves with in court by their own admission. Consequently, every ruling shown that references a Tax Court decision should be disregarded. See question II.G.1 for further details on the Tax Court Scam.

0.7 Anonymity of author

How can you call something “Truth” if the person propagating it isn’t legally responsible for its accuracy? When people testify in court, they have to take an oath and if they lied, they commit perjury and can be sentenced to prison. Why don’t we have the same level of accountability for the person who wrote this suspect piece of government propaganda? Did you notice the IRS DID NOT put their logo on their document and didn’t have the author inside their agency sign it to authenticate it and validate it, even though they posted it on their website? Have you wondered why? Have you ever wondered why there is NO PLACE anywhere in any public phone book or on the IRS’ own website where you can look up the phone number, email address, or mailing address of ANYONE who works in that agency and why the majority of the correspondence they send you isn’t signed? The reason is because if the IRS had identified itself as the author and made this an official publication that was attributable to a reputable source, then that author could be subpoenaed and then prosecuted for fraud under the IRS Restructuring and Reform Act of 1998 and 26 U.S.C. §7214 and be held personally liable for damages up to \$1,000,000! People who tell lies don’t like being held legally responsible and will do everything in their power to hide behind a cloak of secrecy, anonymity, and “official immunity”.

If you would like to know who wrote this IRS propaganda piece and refuses to take responsibility for it, we further investigated this matter so you know who to hold accountable. During April 2005, we contacted the IRS Media Relations Office at 202-622-4000. They indicated that the author of the document is the IRS Chief Counsel’s Office. We asked them who specifically in the office wrote the document. They said it was a group effort. We asked them who the group leader is. They provided the following contact information, which we encourage you to call:

Name: Donald Korb
Position: IRS Chief Counsel
Phone: (202) 622-3300 (switchboard)

0.8 Government and Legal Profession Conflict of Interest that Perpetuates Illegal Enforcement of Tax Laws

Remember that courts DO NOT make law, they only interpret it, and they must interpret it according to its plain meaning in a consistent way through a concept called stare decisis.

*"This court has no authority to interpolate a limitation that is neither expressed nor implied. Our duty is to execute the law, not to make it."
[U.S. v. Wong Kim Ark, 169 U.S. 649 (1898)]*

The courts have an obligation to abide by previous rulings of the Supreme Court AND in observing the rules of statutory construction when interpreting statutes. Neither they nor the IRS are respecting the rulings of the Supreme Court or the rules of statutory construction in interpreting the provisions of the Internal Revenue Code. As you read through case law, keep some very important facts in mind:

1. The Judicial, the Legislative, and the Executive Branches of the U.S. government are ALL tax consumers. Nearly all of their political power derives from their authority to redistribute the plunder derived from illegal enforcement of the Internal Revenue Code.
2. Federal judges of the District and Circuit courts are appointed by the President and confirmed by the Senate. They are NOT part of the Judicial Branch, but the Legislative Branch. They are simply “employees” and not true “judges”. Only justices of the Supreme Court are true Article III judges, and even then only when they are acting in their original jurisdiction. In their appellate jurisdiction, they act as Article IV “justices” rather than judges and serve within the Legislative and not Judicial Branch. See:

[Authorities on Jurisdiction of Federal Courts, Family Guardian Fellowship](http://famguardian.org/Subjects/LawAndGovt/ChallJurisdiction/AuthoritiesArticle/AuthOnJurisdiction.htm)
<http://famguardian.org/Subjects/LawAndGovt/ChallJurisdiction/AuthoritiesArticle/AuthOnJurisdiction.htm>

3. Judges hearing tax cases have an automatic conflict of interest in violation of 28 U.S.C. §144, 28 U.S.C. §455, and 18 U.S.C. §208. This conflict began in 1932, when Congress instituted the first permanent tax upon federal judges and made them

subject to IRS extortion. See Great IRS Hoax, Section 6.5.15 for details. There is no way to get a judge who doesn't have a conflict of interest but there used to be, and this prejudices the rights of those challenging the unlawful collection activity of the IRS.

4. All three branches of the government are populated mostly by lawyers. Who trusts lawyers? Lawyers make money by putting your assets at risk and then plundering those assets in the process of defending your right to keep them. The more litigation there is, the more of your assets they can plunder by charging excessive legal fees up to \$300/hr to defend you in court from plunder by their coworkers in the government.
5. Even supposedly "private" tax attorneys who defend clients in court work for the government as "officers of the court". They are licensed to practice law by the government and they can have their license or privilege to practice law revoked if they tell the truth about the tax system. For an example of this claim, read the case of Dr. Phil Roberts, whose attorney, Oscar Stilley, was threatened by the judge with losing his privilege to practice law in court for being too effective in defending his client against willful failure to file charges. Read the entire transcript of the trial on our website at: <http://famguardian.org/Subjects/Taxes/CaseStudies/PhilRoberts/PhilRoberts.htm>. See also:

Petition for Admission to Practice

<http://famguardian.org/Subjects/LawAndGovt/LegalEthics/PetForAdmToPractice-USDC.pdf>

6. You can read more about the extensive legal profession conflict of interest that perpetuates the income tax in sections 2.8.13 through 2.8.13.10 and 6.9 through 6.9.12 of the Great IRS Hoax book at: <http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
7. You can read about the conspiracy against your constitutional rights perpetuated by all three branches of the government by reading chapter 6 of:

Great IRS Hoax

<http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>

0.9 Abuse of Treasury Regulations and Undocumented or Inflated Claims of Authority

Most IRS responses completely ignore the detailed regulations of the IRS, which are the only thing that is binding on the IRS. Their own Internal Revenue Manual says so:

"The Federal Income Tax Regulations (Regs.) are the official Treasury Department interpretation of the Internal Revenue Code..."

[Internal Revenue Manual (I.R.M.), Section 4.10.7.2.3.1 (05/14/99)]

"The Service is bound by the regulations."

[Internal Revenue Manual (I.R.M.), Section 4.10.7.2.3.4 (05/14/99)]

"[T]he Secretary shall prescribe all needful rules and regulations for the enforcement of this title."

[26 U.S.C. §7805(a)]

"Interpretative regulations are issued under the general authority of IRC section 7805(a) , which allows regulations to be written when the Secretary determines they are needed to clarify a Code section."

[Internal Revenue Manual (I.R.M.), Section 4.10.7.2.3.2 (05/14/99)]

You will note that the IRS in this document does NOT cite the specific regulation that authorizes them to do the things they claim to have the authority to do. For instance, did you notice they didn't cite the specific regulation that authorizes them to assess penalties for pursuing frivolous arguments or the specific types of taxes and individuals these penalties can lawfully apply to? But guess what, their own regulations, in 26 C.F.R. §301.6671-1 describes WHO these penalties may be applied to:

[Code of Federal Regulations]

[Title 26, Volume 17, Parts 300 to 499]

[Revised as of April 1, 2000]

From the U.S. Government Printing Office via GPO Access

TITLE 26--INTERNAL REVENUE

Additions to the Tax and Additional Amounts--Table of Contents

Sec. 301.6671-1 Rules for application of assessable penalties.

(b) Person defined.

For purposes of subchapter B of chapter 68, the term "person" includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

Even more interesting, is that the above not only doesn't apply to most Americans. It also doesn't apply to most corporations or partnerships either, because these corporations or partnerships must be registered in the District of Columbia. State-chartered corporations or partnerships aren't liable for IRS penalties either. Furthermore, the only type of "employee" who can be penalized is an employee of a U.S. corporation registered in the District of Columbia and who is involved in reporting and complying with taxes for the corporation, and NOT for himself individually! The IRS "assumes", usually wrongfully, that they can institute such penalties by "assuming" that the "taxpayer" is such an "employee" because they are engaged in a "trade or business", which is defined in [26 U.S.C. §7701\(a\)\(26\)](#) as "the functions of a public office", but this is a false presumption for the vast majority of Americans.

0.10 "Cert. Denied" references

Throughout the document, the term "cert. denied" is underlined. A cert. denied is an instance where a case being heard at the circuit or appeals level was lost and subsequently appealed to the Supreme Court (with a writ of certiorari) and the Supreme Court, for such an appeal, refused to hear the case. By underlining this, the IRS is "presuming" that because the Supreme Court wouldn't hear the appeal, that the appellant must have been pursuing a frivolous or bad argument. However, this is a FALSE presumption. Here is how this type of approach is treated in section 6.12.4.5 of the Great IRS Hoax book:

"However, it is an important principal of law that the fact that a cert was denied is NOT necessarily an affirmation of a particular federal circuit court ruling by the Supreme Court. This lack of attentiveness by the Supreme Court in not correcting errors by the circuit courts gave the circuit and district courts carte blanche authority to do anything they wanted and to ignore the constitution entirely relative to income taxes. The result was a broadened application of income taxes to what should have been excepted subjects, like citizens domiciled in the 50 states with only income from the 50 states."

See the Great IRS Hoax sections 2.8.2 and 6.7.1 for additional documentation about the "Cert Denied" false presumption and several others.

0.11 Selective Enforcement and Unequal Treatment are the Main Tools for Perpetuating the FRAUD

The foundation of our republican form of government is equal protection and equal treatment. See:

<i>Requirement for Equal Protection and Equal Treatment</i>, Form #05.033 http://sedm.org/Forms/FormIndex.htm
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On the subject of equal protection and equal treatment, the U.S. Supreme Court has held:

"No duty rests more imperatively upon the courts than the enforcement of those constitutional provisions intended to secure that equality of rights which is the foundation of free government."
[Gulf, C. & S. F. R. Co. v. Ellis, [165 U.S. 150](#) (1897)]

The foundation of the ongoing unlawful success of the IRS' enforcement is systematic, deliberate, malicious implementation of UNEQUAL treatment and discrimination by the following means:

1. Refusing to respond to any correspondence sent to them by innocent "nontaxpayers" who have been wronged. In effect, through omission in responding, they are turning innocence into guilt, which the U.S. Supreme Court held they CANNOT DO. They are also indirectly creating a "title of nobility", which is a privileged class of franchisees called "taxpayers" who are the only ones who can get help, in violation of Article 1, Section 10 of the Constitution.

*"The Legislature may enjoin, permit, forbid, and punish; they may declare new crimes; and establish rules of conduct for all its citizens in future cases; they may command what is right, and prohibit what is wrong; but they [the government] cannot change innocence [a "nontaxpayer"] into guilt [a "taxpayer"]; or punish innocence as a crime [criminally prosecute a "nontaxpayer" for violation of the tax laws]; or violate the right of an antecedent lawful private contract; or the right of private property. To maintain that our Federal, or State, Legislature possesses such powers [of THEFT and FRAUD], if they had not been expressly restrained; would, *389 in my opinion, be a political heresy, altogether inadmissible in our free republican governments."*
[Calder v. Bull, 3 U.S. 386 (1798)]

2. By going on a rampage to prosecute people who sell or distribute allegedly “false” information about taxes, and yet refusing to hold themselves equally accountable by declaring that their own information and forms are trustworthy and reliable:

"IRS Publications, issued by the National Office, explain the law in plain language for taxpayers and their advisors... While a good source of general information, publications should not be cited to sustain a position."
[Internal Revenue Manual (I.R.M.), Section 4.10.7.2.8 (05-14-1999)]

3. By claiming that when you want to sue them, they have to consent in writing with a statute and you must produce the statute, but on the other hand, they don't have the equal obligation to prove you consented to participate in the “trade or business” franchise IN WRITING. If the U.S. Government can pass a law that requires all agreements with the government to be ONLY in writing, then certainly we have the EQUAL right to impose the same requirements upon the government.

"Every man is supposed to know the law. A party who makes a contract with an officer [of the government] without having it reduced to writing is knowingly accessory to a violation of duty on his part. Such a party aids in the violation of the law."
[Clark v. United States, 95 U.S. 539 (1877)]

4. Vigorously prosecuting people who file false TAX RETURNS, but refusing to be equally vigilant in investigating or prosecuting those who file false INFORMATION RETURNS. DOJ NEVER criminally prosecutes those who file false information returns against parties not lawfully engaged in the “trade or business” franchise pursuant to 26 U.S.C. §7206, 7207, and 18 U.S.C. §912, which removes any incentive for the filers to obey the law.
5. Refusing to respond Freedom of Information Act (F.O.I.A.) requests by the victims of these false information returns to obtain the IRS Form 1096 who identifies the perpetrator that filed them so they can be prosecuted. See:

Social Security Admin. FOIA: "Trade or Business", Form #03.023
<http://sedm.org/Forms/FormIndex.htm>

6. Refusing to acknowledge the existence of “nontaxpayers” or anyone who is outside their jurisdiction, such as:
 - 6.1. On their forms. Nearly all IRS Forms we have looked at presume the filer is a “taxpayer” and they actually refer to the signer as such at the bottom of the form. They make no forms for “nontaxpayers”.
 - 6.2. In their mission statement. The IRS Mission Statement at Internal Revenue Manual (I.R.M.), Section 1.1.1.1 says they can only help “taxpayers”. To HELL with nontaxpayers.
 - 6.3. In IRS Publication 1 entitled “Your Rights as a Taxpayer”. What an oxymoron: “taxpayers” don't have any rights, but only legislatively granted privileges and franchise in their legislative franchise court called “Tax Court”. And yet, they don't have an equivalent document called “Your Rights as a NONtaxpayer”. See:

Your Rights as a NONtaxpayer, Form #08.008
<http://sedm.org/Forms/FormIndex.htm>

7. Unlawfully applying penalties against parties who are not subject to their jurisdiction and who are “non-resident non-persons” and “nontaxpayers” in order to compel them to “voluntarily comply”. What a joke! See:

Why Penalties are Illegal for Anything but Government Franchisees, Employees, Contractors, and Agents, Form #05.010
<http://sedm.org/Forms/FormIndex.htm>

8. Refusing to correct their records in the case of parties who indicate that the identifying number or civil status is incorrect.
9. By using a commercial default process in corresponding with you, but refusing to recognize your equal right to employ it against them. See:
 - 9.1. *Silence as a Weapon and a Defense in Legal Discovery, Form #05.021*
<http://sedm.org/Forms/FormIndex.htm>
 - 9.2. *Requirement for Due Process of Law, Form #05.045*
<http://sedm.org/Forms/FormIndex.htm>
10. Refusing to provide forms or administrative remedies for “nontaxpayers” who have been the victim of false information returns. For instance:
 - 10.1. Refusing to provide a remedy in U.S. Tax Court. Tax Court Rule 13(a) only allowed “taxpayers” to petition the court.
 - 10.2. Not providing an equivalent of IRS Form 4852 for nonresident aliens filing with form 1040NR. The form says at the top that it is only for use by those filing as resident aliens using IRS Form 1040, and it is illegal for a nonresident alien or “non-resident non-person” to elect to be a resident alien if they are non-resident UNLESS they are a public officer AND married to a statutory but not Constitutional “U.S. citizen” per 26 U.S.C. §6013(g) and (h).
 - 10.3. Refusing to provide an option in Block 3 of the IRS Form W-8BEN for those who are NOT “individuals” but instead who are “transient foreigners” outside the jurisdiction of the government. See:

- 10.4. Refusing to process the custom forms submitted by “nontaxpayers” that ask for non-statutory refunds and which accurately portray the status of the submitter as a “nontaxpayer”.

Hypocrites!

Woe to you, scribes and Pharisees, hypocrites! For you pay tithe of mint and anise and cummin, and have neglected the weightier matters of the law: justice and mercy and faith. These you ought to have done, without leaving the others undone.

[...]

Woe to you, scribes and Pharisees, hypocrites! For you are like whitewashed tombs which indeed appear beautiful outwardly, but inside are full of dead men’s bones and all uncleanness.

Even so, you also outwardly appear righteous to men, but inside you are full of hypocrisy and lawlessness.

[...]

Fill up, then, the measure of your fathers’ guilt. Serpents, brood of vipers! How can you escape the condemnation of hell? There fore, indeed, I send you prophets, wise men, and scribes: some of them you will kill and crucify, and some of them you will scourge in your synagogues and persecute from city to city, that on you may come all the righteous blood shed on the earth... ”

[Matthew 23:13-36, Bible, NKJV]

I. FRIVOLOUS TAX ARGUMENTS IN GENERAL

A. The Voluntary Nature of the Federal Income Tax System

1. Contention: The filing of a tax return is voluntary.

Some assert that they are not required to file federal tax returns because the filing of a tax return is voluntary. Proponents point to the fact that the IRS itself tells taxpayers in the Form 1040 instruction book that the tax system is voluntary. Additionally, the Supreme Court’s opinion in *Flora v. United States*, 362 U.S. 145, 176 (1960), is often quoted for the proposition that “[o]ur system of taxation is based upon voluntary assessment and payment, not upon distraint.”

The Law: The word “voluntary,” as used in *Flora* and in IRS publications, refers to our system of allowing taxpayers to determine the correct amount of tax and complete the appropriate returns, rather than have the government determine tax for them. The requirement to file an income tax return is not voluntary and is clearly set forth in Internal Revenue Code §§ 6011(a), 6012(a), et seq., and 6072(a). See also Treas. Reg. §1.6011-1(a).

I.R.C. §§6011(a), 6012(a) DO NOT establish a requirement to file a tax return, only to MAKE a tax return. One can MAKE a tax return but not FILE it and still comply completely with the Internal Revenue Code. Here is the content of that section that purportedly establishes the liability to FILE, according to the IRS, which you can read for yourself at <http://www4.law.cornell.edu/uscode/26/6011.html>:

*TITLE 26 - INTERNAL REVENUE CODE
Subtitle F - Procedure and Administration*

CHAPTER 61 - INFORMATION AND RETURNS
Subchapter A - Returns and Records
PART II - TAX RETURNS OR STATEMENTS
Subpart A - General Requirements
[Sec. 6011. General requirement of return, statement, or list](#)

(a) General Rule

When required by regulations prescribed by the Secretary any person made liable for any tax imposed by this title, or for the collection thereof, shall make a return or statement according to the forms and regulations prescribed by the Secretary.

Do you see anything in the above that requires you to FILE a “return” form? If the form is called a “return” and you fill it out but don’t submit it to anyone, did you “make” a “return”. You sure did, because you can MAKE a “return” without “filing” a return. This is the very tactic used successfully in the case of a famous freedom fighter named Gaylon “Whitey” Harrell. See section 7.2.2 of the Great IRS Hoax book on the website at <http://famguardian.org> for more details about Gaylon Harrell’s case.

Why didn’t the government just outright say in section 6011 that you had to FILE the return? Because if you are a human being protected by the Fifth Amendment, they have no authority to do so, and they also don’t have any jurisdiction to do so inside the borders of the 50 states on nonfederal land because of Article 1, Section 2, Clause 3 and Article 1, Section 9, Clause 4 of the U.S. Constitution.

The requirement to put ANYTHING on the tax return is also VOLUNTARY. According to the court in the case of U.S. v. Troescher, CV 93-5736 (an unpublished case), the 9th Circuit Court of Appeals ruled:

"[t]he self-incrimination clause of the Fifth Amendment applies in all instances where a taxpayer has reasonable cause to apprehend criminal prosecution, whether tax related or not." We agree. There is no general "Tax-Crime Exception" to the Fifth Amendment, and Troescher's Fifth Amendment claims were not defeated here simply because he feared prosecution for tax crimes.

There was evidence in this case of a government conspiracy, as the results of this case were unpublished, which is to say that the government would not allow the court’s findings to be published in law journals or case databases, apparently because they did not want the damn to break and start a massive wave of nonfilers or people who refused to put anything on their tax returns at all for fear of incriminating themselves. You can read the court’s findings for this unpublished case at our website at:

<http://famguardian.org/Subjects/Taxes/CaseStudies/LTroescher/Opinion.htm>

Any taxpayer who has received more than a statutorily determined amount of gross income is obligated to file a return. Failure to file a tax return could subject the noncomplying individual to criminal penalties, including fines and imprisonment, as well as civil penalties. In United States v. Tedder, 787 F.2d. 540, 542 (10 th Cir. 1986), the court clearly states, “although Treasury regulations establish voluntary compliance as the general method of income tax collection, Congress gave the Secretary of the Treasury the power to enforce the income tax laws through involuntary collection. ..The IRS’ efforts to obtain compliance with the tax laws are entirely proper.”

When one completes and submits a tax return, it MUST be completed and signed voluntarily. Why? Because if the filer is doing so under compulsion or duress, he can’t be prosecuted for what is on the return because he didn’t provide the information freely and therefore can’t be guaranteed to be telling the truth! Let’s look into this some more:

duress: “Any unlawful threat or coercion used by a person to induce another to act (or to refrain from acting) in a manner he or she otherwise would not (or would). Subjecting person to improper pressure which overcomes his will and coerces him to comply with demand to which he would not yield if acting as free agent. Head v. Gadsden Civil Service Bd., Ala.Civ.App., 389 So.2d. 516, 519. Application of such pressure or constraint as compels man to go against his will, and takes away his free agency, destroying power of refusing to comply with unjust demands of another. Haumont v. Security State Bank, 220 Neb. 809, 374 N.W.2d. 2,6.

...

A contract entered into under duress by physical compulsion is void. Also, if a party's manifestation of assent to a contract is induced by an improper threat by the other party that leaves the victim no reasonable alternative, the contract is voidable by the victim. Restatement, Second, Contracts §§174, 175.

As a defense to a civil action, it must be pleaded affirmatively. Fed.R.Civil.P. 8(c).

As an affirmative defense in criminal law, one who, under the pressure of an unlawful threat from another human being to harm him (or to harm a third person), commits what would otherwise be a crime may, under some circumstances, be justified in doing what he did and thus not be guilty of the crime in question. See Model Penal Code §2.09. See also Coercion; Economic duress; Extortion; Undue influence."
[Black's Law Dictionary, Sixth Edition, p. 504]

When we sign our tax return, we are signing a contract or agreement, declaring under penalty of perjury that we understand the information provided on the form is true and correct to the best of our ability. This makes our tax return into the equivalent of an affidavit that can be used as evidence against us in court for either civil or criminal proceedings, and against anyone else whose income is listed on that form.

Based on the above then, if we are compelled to sign our tax return and if we indicate that we were compelled, we can't be held responsible for anything that is on the return and anything the government might want to prosecute us for based on the information on the return can't be prosecuted. That creates a real paradox for the government in the collection of taxes. That is why they are forced to say that our tax system depends on "voluntary compliance".

Now if we exercise our Fifth Amendment right by telling the truth on our tax return and writing "duress" next to our signature at the bottom, we are threatened with a \$500 frivolous return penalty by the IRS. This leads us to ask, is the Fifth Amendment right really a right if we can be penalized, fined, or taxed by our government for exercising it. The answer is an emphatic NO, which means that our tax system violates the Fifth Amendment, as the Supreme Court made it clear that the government may not penalize us for the exercise of a right guaranteed by the Constitution:

"It has long been established that a State may not impose a penalty upon those who exercise a right guaranteed by the Constitution." Frost & Frost Trucking Co. v. Railroad Comm'n of California, 271 U.S. 583. "Constitutional rights would be of little value if they could be indirectly denied," Smith v. Allwright, 321 U.S. 649, 644, or manipulated out of existence," Gomillion v. Lightfoot, 364 U.S. 339, 345."
[Harman v. Forssenius, 380 U.S. 528 at 540, 85 S.Ct. 1177, 1185 (1965)]

Relevant Case Law:

Helvering v. Mitchell, 303 U.S. 391, 399 (1938) – the U.S. Supreme Court stated that "[i]n assessing income taxes, the Government relies primarily upon the disclosure by the taxpayer of the relevant facts ... in his annual return. To ensure full and honest disclosure, to discourage fraudulent attempts to evade the tax, Congress imposes [either criminal or civil] sanctions."

United States v. Tedder, 787 F.2d. 540, 542 (10 th Cir. 1986) – the court upheld a conviction for willfully failing to file a return, stating that the premise "that the tax system is somehow 'voluntary' ... is incorrect."

United States v. Richards, 723 F.2d. 646, 648 (8th Cir. 1983) – the court upheld conviction and fines imposed for willfully failing to file tax returns, stating that the claim that filing a tax return is voluntary "was rejected in United States v. Drefke, 707 F.2d. 978, 981 (8th Cir. 1983), wherein the court described appellant's argument as 'an imaginative argument, but totally without arguable merit.'"

Woods v. Commissioner, 91 T.C. 88, 90 (1988) – the court rejected the claim that reporting income taxes is strictly voluntary, referring to it as a "tax protester' type" argument, and found Woods liable for the penalty for failure to file a return.

Johnson v. Commissioner, T.C. Memo. 1999-312, 78 T.C.M. (CCH) 468, 471 (1999) – the court found Johnson liable for the failure to file penalty and rejected his argument "that the tax system is voluntary so that he cannot be forced to comply" as "frivolous."

2. Contention: Payment of tax is voluntary.

In a similar vein, some argue that they are not required to pay federal taxes because the payment of federal taxes is voluntary. Proponents of this position argue that our system of taxation is based upon voluntary assessment and payment.

The Law: The requirement to pay taxes is not voluntary and is clearly set forth in section 1 of the Internal Revenue Code, which imposes a tax on the taxable income of individuals, estates, and trusts as determined by the tables set forth in that section. (Section 11 imposes a tax on the taxable income of corporations.) Furthermore, the obligation to pay tax is described in section 6151, which requires taxpayers to submit payment with their tax returns. Failure to pay taxes could subject the noncomplying individual to criminal penalties, including fines and imprisonment, as well as civil penalties.

In discussing section 6151, the Eighth Circuit Court of Appeals stated that “when a tax return is required to be filed, the person so required ‘shall’ pay such taxes to the internal revenue officer with whom the return is filed at the fixed time and place. The sections of the Internal Revenue Code imposed a duty on Drefke to file tax returns and pay the ... tax, a duty which he chose to ignore.” *United States v. Drefke*, 707 F.2d. 978, 981 (8th Cir. 1983)

Relevant Case Law:

United States v. Bressler, 772 F.2d. 287, 291 (7th Cir. 1985) – the court upheld Bressler’s conviction for tax evasion, noting, “[he] has refused to file income tax returns and pay the amounts due not because he misunderstands the law, but because he disagrees with it. ... [O]ne who refuses to file income tax returns and pay the tax owing is subject to prosecution, even though the tax protester believes the laws requiring the filing of income tax returns and the payment of income tax are unconstitutional.”

Schiff v. United States, 919 F.2d. 830, 833 (2d Cir. 1990), cert. denied, 501 U.S. 1238 (1991) – the court rejected Schiff’s arguments as meritless and upheld imposition of the civil fraud penalty, stating “[t]he frivolous nature of this appeal is perhaps best illustrated by our conclusion that Schiff is precisely the sort of taxpayer upon whom a fraud penalty for failure to pay income taxes should be imposed.”

Packard v. United States, 7 F.Supp.2d. 143, 145 (D. Conn. 1998) – the court dismissed Packard’s refund suit for recovery of penalties for failure to pay income tax and failure to pay estimated taxes where the taxpayer contested the obligation to pay taxes on religious grounds, noting that “the ability of the Government to function could be impaired if persons could refuse to pay taxes because they disagreed with the Government’s use of tax revenues.”

United States v. Gerads, 999 F.2d. 1255, 1256 (8th Cir. 1993) – the court stated that “[taxpayers] claim that payment of federal income tax is voluntary clearly lacks substance” and imposed sanctions in the amount of \$1,500 “for bringing this frivolous appeal based on discredited, tax-protestor arguments.”

3. Contention: Taxpayers can reduce their federal income tax liability by filing a “zero return”

Some taxpayers are attempting to reduce their federal income tax liability by filing a tax return that reports no income and not tax liability (a “zero return”) even though they have taxable income. Many of these taxpayers also request a refund of any taxes withheld by an employer. These individuals typically attach to the zero return a Form W-2, or other information return that reports income and income tax withholding, and rely on one or more of the frivolous arguments discussed throughout this outline in support of their position.

There is absolutely no question that “taxpayers”, which are people subject to the I.R.C. and who have “taxable income” greater than the minimum exemption amount, cannot escape tax liability as indicated here. The Bible says that believers should honor your commitments, and volunteering calling oneself a “taxpayer” by committing perjury on a government form is a form of “commitment” that usually results from ignorance of the law.

*He who walks with integrity walks securely,
But he who perverts his ways will become known.
[Prov. 10:9; Bible, NKJV]*

*Better is the poor who walks in his integrity
Than one perverse in his ways, though he be rich."
[Prov. 28:6, Bible, NKJV]*

However, “nontaxpayers”, who are persons not subject to the Internal Revenue Code because they do not have any earnings “effectively connected with a trade or business in the United States”, have a right to document that status appropriately using approved IRS Forms, including the filing of zero returns indicating their non-liability. To do otherwise would be to commit perjury under penalty of perjury. See:

The “Trade or Business” Scam
<http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm>

The fundamental problem with this IRS propaganda pamphlet is that it fails to acknowledge the existence of such a thing as a “nontaxpayer” in law, even though the federal courts have done so and even their own Internal Revenue Manual does so. The reason they refuse to do so is because they want to STEAL your money by deceiving you.

"The revenue laws are a code or system in regulation of tax assessment and collection. They [and all the superfluous court cites in this pamphlet as well] relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."

*"The distinction between persons and things within the scope of the revenue laws and those without is vital."
[Long v. Rasmussen, 281 F. 236].*

The Law: There is no authority that permits a taxpayer that has taxable income to avoid income tax by filing a zero return. Section 61 provides that gross income includes all income from whatever source derived, including compensation for services. Courts have repeatedly penalized taxpayers for making the frivolous argument that the filing of a zero return can allow a taxpayer to avoid income tax liability, or permit a refund of tax withheld by an employer. Courts have also imposed the frivolous return and failure to file penalties because such forms do not evidence an honest and reasonable attempt to satisfy the tax laws or contain sufficient data to calculate the tax liability. The IRS issued Revenue Ruling 2004-34, 2004-12 I.R.B. 619, warning taxpayers of the consequences of making this argument.

Relevant Case Law:

Gillett v. United States, 233 F.Supp.2d. 874, 881 (W.D. Mich. 2002) - the court stated “[n]umerous federal courts have upheld the imposition of the \$500 sanction by the IRS pursuant to 26 U.S.C. §6702(a) [for frivolous returns], where, as here, a tax form is filed stating that an individual had no income, but the attached W-2 forms show wages, tips, or other compensation of greater than zero.”

Halcott v. Commissioner, T.C. Memo. 2004-214 - the court held the taxpayer liable for the penalty under section 6651(a)(1) for failure to timely file his return where the taxpayer filed a “zero return.”

Hill v. Commissioner, T.C. Memo. 2003-144, 85 T.C.M. (CCH) 1328, 1331 (2003) - the court imposed a \$15,000 penalty under section 6673 because the taxpayer took the frivolous “zero return” position.

Rayner v. Commissioner, T.C. Memo. 2002-30, 83 T.C.M. (CCH) 1161 (2002) - the court imposed a \$5,000 penalty under section 6673 where the taxpayer argued the frivolous “zero return” position.

United States v. Schiff, et al., 379 F.3d. 621 (9th Cir. 2004) – the court of appeals upheld a federal district court preliminary injunction barring Irwin Schiff and two associates from promoting their “zero-income” tax return theories through his bookstore and three Internet websites. As the court noted, Mr. Schiff “has a long history of opposition to the federal income tax laws” and has never been successful in court with his theory that “the federal income tax is voluntary.”

4. Contention: The IRS must prepare federal tax returns for a person who fails to file

Proponents of this argument contend that section 6020(b) obligates the IRS to prepare a federal tax return for a person who does not file a return. Thus, those who subscribe to this contention believe that they are not required to file a return for themselves.

The Law: Section 6020(b) merely provides the IRS with a mechanism for determining the tax liability of a taxpayer who has failed to file a return. Section 6020(b) does not require the IRS to prepare tax returns for persons who do not file and it does not excuse the taxpayer from civil penalties or criminal liability for failure to file.

Our present tax system, by the IRS' own admission, is based on "voluntary compliance" and the taxes truly are voluntary for biological people because there is no statute anywhere in Subtitle A of the Internal Revenue Code that makes anyone, including either business entities or biological people liable to pay the income tax.

*"Our tax system is based on individual self-assessment and voluntary compliance".
[Mortimer Caplin, Internal Revenue Audit Manual (1975)]*

The IRS likes to quote the regulations under section §1 of the IRC at 26 C.F.R. §1.1-1 which say "liable to the tax" but the federal courts have ruled that a regulation may not expand the scope or authority of a statute because the Secretary of the Treasury does not have the authority to make law as a member of the Executive Branch. Therefore, this regulation, insofar as it uses the phrase "liable to the tax" is null and void and unenforceable.

*"...liability for taxation must clearly appear[from statute imposing tax]."
[Higley v. Commissioner of Internal Revenue, 69 F.2d. 160 (1934)]*

*"While Congress might have the power to place such a personal liability upon trust beneficiaries who did not renounce the trust, yet it would require clear expression of such intent, and it cannot be spelled out from language (as that here) which can be given an entirely natural and useful meaning and application excluding such intent."
[Higley v. Commissioner of Internal Revenue, 69 F.2d. 160 (1934)]*

*"'Tax' is legal imposition, exclusively of statutory origin, and liability to taxation must be read in statute, or it does not exist."
[Bente v. Bugbee, 137 A. 552, 103 N.J. Law. 608 (1927)]*

*"The taxpayer must be liable for the tax. Tax liability is a condition precedent to the demand. Merely demanding payment, even repeatedly, does not cause liability."
[Terry v. Bothke, 713 F.2d. 1405, at 1414 (1983)]*

For personal income taxes under Subtitle A of the Internal Revenue Code, the only person who can therefore make you into a "taxpayer" who is "liable" for a tax is you and not the IRS, and you do this by assessing yourself and sending in a return that you have prepared or signed yourself, or by delegating to the IRS the authority to do it for you. Section 6151 of the Internal Revenue Code says that:

"...the person required to make such return shall, without assessment or notice and demand from the Secretary, pay such tax to the internal revenue officer with whom the return is filed..".

The regulation under this at 26 C.F.R. §1.6151-1 says that:

"...the tax shown on any income tax return shall, without assessment or notice and demand, be paid to the internal revenue officer with whom the return is filed at the time fixed for filing the return..."

But what if there isn't a return? Do you have to pay a tax? The answer is that you don't have to pay any tax that doesn't appear on a return that YOU FILED. The IRS cannot assess you with a liability but they don't want you to know this, which is why they have to prepare sneaky questions like the one above! The IRS is trying to explain here why it doesn't prepare Substitute for Returns (SFR's) on persons who don't file their own returns so that people won't start believing that there is no way the IRS can make a valid or lawful assessment on them without them doing it themselves. Section 5.1.11.6.8 of the IRS' own Internal Revenue Manual under paragraph (1) shows the ONLY forms which are subject to Substitute For Returns (SFR) processing by revenue agents. Conspicuously missing are the IRS Forms 1040, 1040A, 1040EZ, 1040NR, which implies that the IRS has no authority to prepare Substitute For Returns for human beings (biological people) under 26 U.S.C.

§6020(b). The reason for this is that in the context of Subtitle A income taxes, these taxes are direct taxes that violate the rights of human beings according to the U.S. Supreme Court:

*"Direct taxes bear immediately upon persons, upon the possession and enjoyment of rights; indirect taxes are levied upon the happening of an event as an exchange."
[Knowlton v. Moore, 178 U.S. 41 (1900)]*

We have on our website an entire line of questions and corresponding evidence from a real-live revenue agent named John Turner who worked at the IRS as a collection agent for 10 years. You can view the questions yourself at: <http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Section%2013.htm>. Mr. Turner reported under oath with an affidavit that during his training as a Revenue Officer, a part of the curricula involved 6020(b) Substitute For Returns, and during that official IRS curricula, the Forms 1040, 1040A, 1040EZ, and 1040NR were conspicuously never mentioned. Those agents who do mistakenly prepare SFR's are making the equivalent of an illegal and void assessment against a "nontaxpayer", and they can be held criminally liable for their violation of rights in any federal or state court:

*"And by statutory definition the term "taxpayer" includes any person, trust or estate subject to a tax imposed by the revenue act. ...Since the statutory definition of taxpayer is exclusive, the federal [and state] courts do not have the power to create nonstatutory taxpayers for the purpose of applying the provisions of the Revenue Acts..."
[C.I.R. v. Trustees of L. Inv. Ass'n., 100 F.2d.18 (1939)]*

"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."

*"The distinction between persons and things within the scope of the revenue laws and those without is vital."
[Long v. Rasmussen, 281 F. 236 @ 238(1922).]*

When a biological person hasn't filed a return under Subtitle A of the Internal Revenue Code, in most cases they are ignored by the IRS because there is no Form W-2 matching program that allows them to match wages earned to a specific person. However, on occasion, an incompetent or green IRS collection agent who forgot his training on SFR's or who has been unscrupulously pressured to meet a "quota" by his supervisor may prepare an illegal SFR on a biological person or be denied his next pay raise for not meeting quota. When this happens, it is called a "bogus assessment" and you can order your non-sanitized IMF directly from the IRS under the Freedom of Information Act (FOIA) and decode it yourself to prove that the assessment was invalid and illegal, and this evidence can be used in court to prosecute the offending agent for violation of rights and unauthorized collection activity under [26 U.S.C. §7433](#).

On some occasions, this same agent may also mistakenly and illegally refer you for criminal investigation for Willful Failure to File under [26 U.S.C. §7203](#). For this too, he can be prosecuted for wrongful prosecution. As a matter of fact, [26 U.S.C. §7203](#) has no implementing regulations under Title 26 of the Code of Federal Regulations, and is unenforceable. Occasionally, the IRS is able to find an ignorant or greedy judge who will side with them and illegally enforce this statute anyway against an innocent American, but such an act constitutes a Conspiracy against rights in violation of several statutes, including [18 U.S.C. §241](#) and 18 U.S.C. §1983.

Relevant Case Law:

United States v. Lacy, 658 F.2d. 396, 397 (5th Cir. 1981) – the court, in upholding the taxpayer's conviction for willfully and knowingly failing to file a return, state that "...the purpose of section 6020(b)(1) is to provide the Internal Revenue Service with a mechanism for assessing the civil liability of a taxpayer who has failed to file a return, not to excuse that taxpayer from criminal liability which results from the failure."

Schiff v. United States, 919 F.2d. 830, 833 (2d Cir. 1990) – the court rejected the taxpayer's argument that the IRS must prepare a substitute for return pursuant to section 6010(b) prior to assessing deficient taxes, stating "[t]here is no requirement that the IRS complete a substitute return."

Moore v. Commissioner, 722 F.2d. 193, 196 (5th Cir. 1984)- the court stated that "section [6020(b)] provides the Secretary with some recourse should a taxpayer fail to fulfill his statutory obligation to file a return, and does not supplant the taxpayer's obligation to file established by 26 U.S.C. §6012.

5. Contention: Compliance with an administrative summons issued by the IRS is voluntary

Some summoned parties may assert that they are not required to respond to or comply with an administrative summons issued by the IRS. Proponents of this position argue that a summons thus can be ignored. The Second Circuit's opinion in *Schulz v. IRS*, 413 F.3d. 297 (2d Cir. 2005) ("*Schulz II*"), discussed below, is often inappropriately cited to support this proposition.

The Law: A summons is an administrative device with which the IRS can summon persons to appear, testify, and produce documents. The IRS is statutorily authorized to inquire about any person who may be liable to pay any internal revenue tax, and to summon a witness to testify or to produce books, papers, records, or other data that may be relevant or material to an investigation. I.R.C. §7602; *United States v. Arthur Young & Co.*, 465 U.S. 805, 816 (1984); *United States v. Powell*, 379 U.S. 48 (1964). Sections 7402(b) and 7604(a) of the Internal Revenue Code grant jurisdiction to district courts to enforce a summons, and section 7604(b) governs the general enforcement of summonses by the IRS.

Summonses can only be issued to those within Internal Revenue Districts per 26 U.S.C. §7601. These Internal Revenue Districts must also be physically within the statutory "United States" per 26 U.S.C. §7701(a)(9) and (a)(10) and 4 U.S.C. §110(d). That means the District of Columbia and the territories of the United States. Since there are no remaining territories and Puerto Rico is a possession, it only means the District of Columbia. The only remaining Internal Revenue District is also the District of Columbia. IRS can summon to their hearts content only there, but even there, the statutory "persons" they can summon ABOUT are statutory "aliens".

[26 C.F.R. 1.1441-1 Requirement for the deduction and withholding of tax on payments to foreign persons.](#)

(c) Definitions

(3) Individual.

(i) Alien individual.

The term alien individual means an individual who is not a citizen or a national of the United States. See Sec. 1.1-1(c).

Everyone else physically on federal territory or doing business there is not subject to income tax withholding or reporting. These people are called "U.S. persons" in 26 U.S.C. §7701(a)(30) and they are expressly exempted from withholding and reporting by 26 C.F.R. §1.1441-1(d)(1) and TD8734. Those who are not subject to withholding or reporting are nontaxpayers. They are nontaxpayers because statutory "U.S. persons" are not a subset of "persons", but a separate group. Nowhere in the Internal Revenue Code are statutory "U.S. persons" under 26 U.S.C. §7701(a)(30) expressly made a subset of "persons" under 26 U.S.C. §7701(a)(1), 26 U.S.C. §6671(b), or 26 U.S.C. §7343.

The Constitution still attaches to the District of Columbia, because it used to be part of Maryland. Its protections have never been surrendered per *Downes v. Bidwell*, 182 U.S. 244 (1901). When IRS summonses there or in a state of the Union, they need probable cause to violate the Fourth Amendment right of privacy. Probable cause means they must have reason to believe that the party is in receipt of reportable "income" under 26 U.S.C. §6041. Section 6041 says its only reportable unless it is connected with a statutory "trade or business", which means a public office in the national but not state government per 26 U.S.C. §7701(a)(26). Since the IRS at least CLAIMS they are part of the government, they have the means to verify if the people who are targeted with usually false information return reports are in fact and in deed engaged in an elected or appointed public office. If they are not, then there is no probable cause to summon and the summons can be quashed under the common law. Those not engaged in a public office or who are not statutory "persons" cannot invoke the benefit or protections of the I.R.C. "trade or business"/public office franchise and must invoke the Constitution or the common law to quash the summons rather than an I.R.C. provision.

Section 7604(b) allows courts to issue attachments, consistent with the law of contempt, to ensure attendance at an enforcement hearing "[i]f the taxpayer has contumaciously refused to comply with the administrative summons and the [IRS] fears he may flee the jurisdiction." *Powell*, 379 U.S. at 58 n.18; see also *Reisman v. Caplin*, 375 U.S. 440, 448-49 (1964) (noting that section 7604(b) actions are in the nature of contempt proceedings against persons who "wholly made default or contumaciously refused to comply" with an administrative summons issued by the IRS). Under

section 7604(b), the courts may also impose contempt sanctions for disobedience of an IRS summons.

Failure to comply with an IRS administrative summons also could subject the non-complying individual to criminal penalties, including fines and imprisonment. I.R.C. §7210. While the Second Circuit held in *Schulz II* that, for due process reasons, the government must first seek judicial review and enforcement of the underlying summons and to provide an intervening opportunity to comply with a court order of enforcement before seeking sanctions for noncompliance, the court's opinion did not foreclose the availability of prosecution under section 7210.

Fines require that the target be a "person" under 26 U.S.C. §6671(b). Imprisonment requires that the party be a "person" under 26 U.S.C. §7343.

[TITLE 26 > Subtitle F > CHAPTER 68 > Subchapter B > PART I > § 6671](#)
[§ 6671. Rules for application of assessable penalties](#)

(b) Person defined

The term "person", as used in this subchapter, **includes an officer or employee of a corporation, or a member or employee of a partnership**, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

[TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter D > § 7343](#)
[§7343. Definition of term "person"](#)

The term "person" as used in this chapter **includes an officer or employee of a corporation, or a member or employee of a partnership**, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

That means under the rules of statutory construction and interpretation, they must be an officer or employee of a federal corporation or partnership. That partnership must, in turn, be a partnership with the national government and not a private partnership. Otherwise, enforcement is unlawful and even a criminal violation of rights. This is exhaustively proven in:

[Why Penalties are Illegal for Anything but Government Franchisees, Employees, Contractors, and Agents](https://sedm.org/Forms/FormIndex.htm), Form #05.010
<https://sedm.org/Forms/FormIndex.htm>

The duty to comply with the Internal Revenue Code originates in their oath of office, not in the code itself.

"It is true, that the person who accepts an office may be supposed to enter into a compact [contract] to be answerable to the government, which he serves, for any violation of his duty; and, having taken the oath of office, he would unquestionably be liable, in such case, to a prosecution for perjury in the Federal Courts."

[United States v. Worrall, 2 U.S. 384 (1798)]

SOURCE: http://scholar.google.com/scholar_case?case=3339893669697439168

Otherwise, it is a violation of the Thirteenth Amendment prohibition against involuntary servitude to impose such duties. Since the taking of an oath is voluntary, then compliance is voluntary. Even then, the oath must be taken on federal territory, because rights are unalienable on land protected by the Constitution. The Thirteenth Amendment, incidentally, applies EVERYWHERE in the country, not just to states of the Union, as held by the U.S. Supreme Court. That means it also applies on federal territory and even the District of Columbia, which is still protected by the Constitution.

Relevant Case Law:

Schulz v. IRS, 413 F.3d. 297 (2d Cir. 2005) ("*Schulz II*") – the 2nd Circuit upheld its prior *per curiam* opinion, reported at *Schulz v. IRS*, 395 F.3d. 463 (2d Cir. 2005) ("*Schulz I*"), and held that, based upon constitutional due process concerns, an indictment under section 7210 shall not lie and contempt sanctions under section 7604(b) shall not be levied based on disobedience of an IRS summons until that summons has been enforced by a federal court order and the summoned party, after having been given a reasonable opportunity to comply with the court's order, has refused. The court noted that "[n]either this opinion nor *Schulz I* prohibits the issuance of pre-hearing attachments consistent with due process and the law of contempts."

United States v. Becker, 58-1 U.S.T.C. ¶ 9403 (S.D.N.Y. 1958) – when Becker failed to produce certain books and records specified in an IRS summons, claiming that they had been destroyed by fire, the court found, based upon the evidence (including the fact that some of the specified books were subsequently produced in compliance with a grand jury subpoena), that Becker willfully and knowingly neglected to produce information called for by a summons in violation of section 7210.

Other Cases: *United States v. Sanders*, 110 A.F.T.R.2d. (RIA) 2012-5910 (S.D. Ill. 2011).

B. The Meaning of Income: Taxable Income and Gross Income

1. Contention: Wages, tips, and other compensation received for personal services are not income.

This argument asserts that wages, tips, and other compensation received for personal services are not income, because there is allegedly no taxable gain when a person “exchanges” labor for money. Under this theory, wages are not taxable income because people have basis in their labor equal to the fair market value of the wages they receive; thus, there is no gain to be taxed.

There is no question that “wages”, as legally defined in [26 U.S.C. §3401\(a\)](#), are taxable and are “income”. We agree with the IRS that anyone who uses this argument is wrong and deserves all the persecution they will inevitably get if they try to litigate this in a federal court. The regulations, in fact, say that a person who fills out a W-4 has signed a contract which requires him to include the earnings associated with the I.R.S. Form W-4 as “gross income” on a tax return. Therefore, all “wages” subject to this private contract become taxable by private agreement, even where there is not territorial jurisdiction:

[26 C.F.R. §31.3402\(p\)-1](#) *Voluntary withholding agreements.*

(a) In general.

An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding of income tax upon payments of amounts described in paragraph (b)(1) of §31.3401(a)-3, made after December 31, 1970. An agreement may be entered into under this section only with respect to amounts which are includible in the gross income of the employee under section 61, and must be applicable to all such amounts paid by the employer to the employee. The amount to be withheld pursuant to an agreement under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations thereunder. See §31.3405(c)-1, Q&A-3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible rollover distributions within the meaning of section 402.

It is therefore pointless to argue that “wages” are not taxable, because they are, but only to those who are either engaged in a “trade or business” or who have elected to be treated as though they are by voluntarily signing an IRS Form W-4.

Now let’s look at WHERE they can lawfully tax “wages”. I.R.C. Subtitle A describes an indirect excise tax upon a “trade or business”, which is defined in [26 U.S.C. §7701\(a\)\(26\)](#) as “the functions of a public office”. [4 U.S.C. §72](#) mandates that all “public offices” must exist only in the District of Columbia and no place else except as expressly authorized by law.

[TITLE 4 > CHAPTER 3 > § 72](#)
[§ 72. Public offices; at seat of Government](#)

All offices attached to the seat of government shall be exercised in the District of Columbia, and not elsewhere, except as otherwise expressly provided by law.

If you search the entire Internal Revenue Code electronically as we have for an enactment of Congress that “expressly extends” the enforcement of the Internal Revenue Code to any place other than the District of Columbia, the only reference you will find is in [48 U.S.C. §1612](#). That section of code “expressly extends” the enforcement of the I.R.C. to the Virgin Islands. There is no provision of the I.R.C. or any other Title of the U.S. Code which extends the enforcement of the I.R.C. to any state of the Union.

It gets worse, folks. [26 U.S.C. §7601](#) only authorizes the I.R.S. to enforce within Internal Revenue Districts. [26 U.S.C. §7621](#) authorizes the President to determine Internal Revenue Districts, and he delegated that authority to the Secretary of the Treasury in [Executive Order 10289](#) in 1952. The Secretary of the Treasury, in turn, only has one standing Treasury Order, [Treasury Order 150-02](#), and it only authorizes internal revenue districts within the District of Columbia. The previous Treasury Order 150-01, established internal revenue districts that included states of the Union, but it was repealed by

The Law: For federal income tax purposes, “gross income” means all income from whatever source derived and includes compensation for services. I.R.C. §61. Any income, from whatever source, is presumed to be income under section 61, unless the taxpayer can establish that it is specifically exempted or excluded. In *Reese v. United States*, 24 F.3d. 228, 231 (Fed. Cir. 1994), the court stated, “an abiding principle of federal tax law is that, absent an enumerated exception, gross income means all income from whatever source derived.”

All compensation for personal services, no matter what the form of payment, must be included in gross income. This includes salary or wages paid in cash, as well as the value of property and other economic benefits received because of services performed, or to be performed in the future. Furthermore, criminal and civil penalties have been imposed against individuals relying upon this frivolous argument.

Relevant Case Law:

Commissioner v. Glenshaw Glass Co., 348 U.S. 426, 429-30 (1955) – referring to the statute’s words “income derived from any source whatever,” the Supreme Court stated, “this language was used by Congress to exert in this field ‘the full measure of its taxing power.’ ... And the Court has given a liberal construction to this broad phraseology in recognition of the intention of Congress to tax all gains except those specifically exempted.”

Commissioner v. Kowalski, 434 U.S. 77 (1977) – the Supreme Court found that payments are considered income where the payments are undeniably accessions to wealth, clearly realized, and over which a taxpayer has complete dominion.

United States v. Connor, 898 F.2d. 942, 943-44 (3d Cir.), cert. denied, 497 U.S. 1029 (1990) – the court stated that “[e]very court which has ever considered the issue has unequivocally rejected the argument that wages are not income.”

Lonsdale v. Commissioner, 661 F.2d. 71, 72 (5th Cir. 1981) – the court rejected as “meritless” the taxpayer’s contention that the “exchange of services for money is a zero-sum transaction ...”

Reading v. Commissioner, 70 T.C. 730 (1978), aff’d, 614 F.2d. 159 (8th Cir. 1980) – the court said the entire amount received from the sale of one’s services constitutes income within the meaning of the Sixteenth Amendment.

United States v. Richards, 723 F.2d. 646, 648 (8th Cir. 1983) – the court upheld conviction and fines imposed for willfully failing to file tax returns, stating that the taxpayer’s contention that wages and salaries are not income within the meaning of the Sixteenth Amendment is “totally lacking in merit.”

United States v. Romero, 640 F.2d. 1014, 1016 (9th Cir. 1981) – the court affirmed Romero’s conviction for willfully failing to file tax returns, finding, in part, that “[t]he trial judge properly instructed the jury on the meaning of [‘income’ and ‘person’]. Romero’s proclaimed belief that he was not a ‘person’ and that the wages he earned as a carpenter were not ‘income’ is fatuous as well as obviously incorrect.”

Abrams v. Commissioner, 82 T.C. 403, 413 (1984) – the court rejected the argument that wages are not income, sustained the failure to file penalty, and awarded damages of \$5,000 for pursuing a position that was “frivolous and groundless ... and maintained primarily for delay.”

Cullinane v. Commissioner, T.C. Memo. 1999-2, 77 T.C.M. (CCH) 1192, 1193 (1999) – noting that “[c]ourts have consistently held that compensation for services rendered constitutes taxable income and that taxpayers have no tax basis in their labor,” the court found Cullinane liable for the failure to file penalty, stating that “[his] argument that he is not required to pay tax on compensation for services does not constitute reasonable cause.”

2. Contention: Only foreign-source income is taxable.

Some maintain that there is no federal statute imposing a tax on income derived from sources within the United States by citizens or residents of the United States. They argue instead that federal income taxes are excise taxes imposed only on nonresident aliens and foreign corporations for the privilege of receiving income from sources within the United States. The premise for this argument is a misreading of sections 861, et seq., and 911, et seq., as well as the regulations under those sections.

The Law: As stated above, for federal income tax purposes, “gross income” means all income from whatever source derived and includes compensation for services. I.R.C. §61. Further, Treasury Regulation §1.1-1(b) provides, “[i]n general, all citizens of the United States, wherever resident, and all resident alien individuals are liable to the income taxes imposed by the Code whether the income is received from sources within or without the United States.” I.R.C. sections 861 and 911 define the sources of income (U.S. versus non-U.S. source income) for such purposes as the prevention of double taxation of income that is subject to tax by more than one country. These sections neither specify whether income is taxable, nor do they determine or define gross income. Further, these frivolous assertions are clearly contrary to well-established legal precedent.

Citing Tax Court rulings as “well established legal precedent” amounts to gross negligence in the legal field. We have a saying: “Never believe a man who says ‘trust me’”. Extending this metaphor, “Never believe an IRS operative who uses the term ‘well established legal precedent’ and ‘Tax Court’ in the same sentence!”

As we said before, only Supreme Court cases may be applied universally to all taxpayers by IRS’ own admission in the Internal Revenue Manual:

“Decisions made at various levels of the court system... may be used by either examiners or taxpayers to support a position... A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence over decisions of lower courts... Decisions made by lower courts, such as Tax Court, District Courts, or Claims Court, are binding on the Service only for the particular taxpayer and the years litigated. Adverse decisions of lower courts do not require the Service to alter its position for other taxpayers.”
[\[Internal Revenue Manual \(I.R.M.\), Section 4.10.7.2.9.8 \(05/14/99\)\]](#)

Do you see any citations of Supreme Court rulings in the list of Relevant Case Law below?

The IRS subterfuge above states: “These sections neither specify whether income is taxable, nor do they determine or define gross income.” This simply is NOT true, as it completely ignores the meaning of “source”. A “source” is an activity that is taxed. One can have income that isn’t gross income if it doesn’t derive from a taxable source. A “source” consists of a combination of a taxable event within a taxable jurisdiction and the exchange of money as a result of that event.

In the Treasury Regulations (26 C.F.R.) under Section 863 (concerning income from sources inside and outside the U.S.), the following is stated:

“Determination of taxable income. The taxpayer’s taxable income from sources within or without the United States will be determined under the rules of Secs. 1.861-8 through 1.861-14T for determining taxable income from sources within the United States.”
[\[26 C.F.R. §1.863-1\(c\)\]](#)

(The vast majority of tax professionals do not use these sections to determine taxable income from sources within the United States of America. At this point, the average Citizen reading this report may guess that there must be some “context,” or some other section, or something somewhere which would justify the tax professionals blatantly disregarding and disobeying the clear language used in the citations shown above. There is not.)

Note how sections 1.861-8 and following of the regulations are identified as the sections “for determining taxable income from sources within the United States,” as well as being the sections to be used whether the income is from sources within or without the United States** (the federal zone). A similar structure occurs in the regulations under Section 862 (dealing with income from outside of the United States**):

“(b) Taxable income.

The taxable income from sources without the United States... shall be determined on the same basis as that used in Sec. 1.861-8 for determining the taxable income from sources within the United States.”
[26 C.F.R. §1.862-1]

The amount of tax is computed on the basis of the income that derives from the taxable source. 26 C.F.R. §1.861-8(f) identifies the only legitimate sources of gross income that may be taxed, and these sources are:

“The operative sections of the Code which require the determination of taxable income of the taxpayer from specific sources or activities and which gives rise to statutory groupings to which this section is applicable include the sections described below.

- (i) Overall limitation to the foreign tax credit...*
 - (ii) [Reserved]*
 - (iii) DISC and FSC taxable income... [international and foreign sales corporations]*
 - (iv) Effectively connected taxable income. Nonresident alien individuals and foreign corporations engaged in trade or business within the United States...*
 - (v) Foreign base company income...*
 - (vi) Other operative sections. The rules provided in this section also apply in determining--*
 - (A) The amount of foreign source items...*
 - (B) The amount of foreign mineral income...*
 - (C) [Reserved]*
 - (D) The amount of foreign oil and gas extraction income...*
 - (E) (deals with Puerto Rico tax credits)*
 - (F) (deals with Puerto Rico tax credits)*
 - (G) (deals with Virgin Islands tax credits)*
 - (H) The income derived from Guam by an individual...*
 - (I) (deals with China Trade Act corporations)*
 - (J) (deals with foreign corporations)*
 - (K) (deals with insurance income of foreign corporations)*
 - (L) (deals with countries subject to international boycott)*
 - (M) (deals with the Merchant Marine Act of 1936)”*
- [26 C.F.R. §1.861-8(f)(1)]

None of these “sources” apply to United States citizens who live and work exclusively within the 50 states of the United States of America. (Federal “possessions,” such as Guam, Puerto Rico, etc., are considered “foreign” under federal law) This is the only list of “sources” in Part I of Subchapter N, or the regulations thereunder, which (as the regulations say) “determine the sources of income for purposes of the income tax.” We can see quite clearly that all of these taxable sources are part of the “federal zone”, which includes the District of Columbia and all federal possessions, or pertain to foreign commerce as allowed under Article 1, Section 8, Clause 3 of the constitution.

Relevant Case Law:

Williams v. Commissioner, 114 T.C. 136, 138 (2000) – the court rejected the taxpayer’s argument that his income was not from any of the sources listed in Treas. Reg. §1.861-8(a), characterizing it as “reminiscent of tax-protester rhetoric that has been universally rejected by this and other courts.”

Aiello v. Commissioner, T.C. Memo. 1995-40, 69 T.C.M. (CCH) 1765 (1995) – the court rejected the taxpayer’s argument that the only sources of income for purposes of section 61 are listed in section 861.

Madge v. Commissioner, T.C. Memo. 2000-370, 80 T.C.M. (CCH) 804 (2000) – the court labeled as “frivolous” the position that only foreign income is taxable.

Solomon v. Commissioner, T.C. Memo. 1993-509, 66 T.C.M. (CCH) 1201, 1202 (1993) – the court rejected the taxpayer’s argument that his income was exempt from tax by operation of sections 861 and 911, noting that he had no foreign income and that section 861 provides that “compensation for labor or personal services performed in the United States ... are items of gross income.”

3. Contention: Federal Reserve Notes are not income.

Some assert that Federal Reserve Notes currently used in the United States are not valid currency and cannot be taxed, because Federal Reserve Notes are not gold or silver and may not be

exchanged for gold or silver. This argument misinterprets Article I, Section 10 of the United States Constitution.

The Law: Congress is empowered “[t]o coin Money, regulate the value thereof, and of foreign coin, and fix the Standard of weights and measures.” U.S. Const. Art. I, § 8, cl. 5. Article I, Section 10 of the Constitution prohibits the states from declaring as legal tender anything other than gold or silver, but does not limit Congress’ power to declare the form of legal tender. See 31 U.S.C. §5103; 12 U.S.C. §411. In *United States v. Rifen*, 577 F.2d. 1111 (8th Cir. 1978), the court affirmed a conviction for willfully failing to file a return, rejecting the argument that Federal Reserve Notes are not subject to taxation. “Congress has declared federal reserve notes legal tender ... and federal reserve notes are taxable dollars.” *Id.* at 1112. The courts have rejected this argument on numerous occasions.

Relevant Case Law:

United States v. Rickman, 638 F.2d. 182, 184 (10 th Cir. 1980) – the court affirmed the conviction for willfully failing to file a return and rejected the taxpayer’s argument that “the Federal Reserve Notes in which he was paid were not lawful money within the meaning of Art. 1, § 8, United States Constitution.”

United States v. Condo, 741 F.2d. 238, 239 (9th Cir. 1984) – the court upheld the taxpayer’s criminal conviction, rejecting as “frivolous” the argument that Federal Reserve Notes are not valid currency, cannot be taxed, and are merely “debts.”

United States v. Daly, 481 F.2d. 28, 30 (8th Cir.), cert. denied, 414 U.S. 1064 (1973) – the court rejected as “clearly frivolous” the assertion “that the only ‘Legal Tender Dollars’ are those which contain a mixture of gold and silver and that only those dollars may be constitutionally taxed” and affirmed Daly’s conviction for willfully failing to file a return.

Jones v. Commissioner, 688 F.2d. 17 (6 th Cir. 1982) – the court found the taxpayer’s claim that his wages were paid in “depreciated bank notes” as clearly without merit and affirmed the Tax Court’s imposition of an addition to tax for negligence or intentional disregard of rules and regulations.

4. Contention: Military retirement pay does not constitute income

Eligible, retired United States military personnel may receive military retirement pay (MRP) from the agency responsible for disbursing these payments, the Defense Finance and Accounting Service (DFAS). Some individuals argue that MRP does not constitute income for federal income tax purposes.

The Law: The Internal Revenue Code defines gross income as “all income from whatever source derived, including . . . pensions.” I.R.C. §61(a)(11). Military retirement pay is pension income within the meaning of section 61. *Wheeler v. Commissioner*, 127 T.C. 200, 205 n.11 (2006); see also *Eatinger v. Commissioner*, T.C. Memo. 1990-310.

Relevant Case Law:

Wheeler v. Commissioner, T.C. Memo. 2010-188, 100 T.C.M. (CCH) 180 (2010) –the Tax Court imposed a \$25,000 penalty under section 6673(a)(1) because the taxpayer continued to argue that his military retirement pay was not income and that he did not need to file federal income tax returns.

Mathews v. Commissioner, T.C. Memo. 2010-226, 100 T.C.M. (CCH) 336 (2010) – In addition to penalties for failure to file and pay taxes, the Tax Court imposed a \$500 penalty under section 6673(a)(1) against Mr. Mathews for his “frivolous” argument that his military retirement pay, including an amount garnished by the state for child support, was not income.

This is yet another attempt to overgeneralize and equivocate. Military personnel who make a domestic election by filing 1040 forms are occupying a voluntary office in the Treasury as a “United States person” and a “citizen* or the United States****” (corporation and not geography). Since Congress created and owns the office, they can tax the ENTIRE

amount or gross receipts of the office if they want to without violating the Sixteenth Amendment. This is because those who occupy a “U.S. person” office are volunteers as documented in:

How American Nationals Volunteer to Pay Income Tax, Form #08.024

<https://sedm.org/Forms/08-PolicyDocs/HowYouVolForIncomeTax.pdf>

HOWEVER, for those not UNWISE enough to make the DOMESTIC election, they have a choice to instead make a FOREIGN election by filing the 1040-NR and who do not VOLUNTARILY “effectively connect” any of their military retirement to a “trade or business” (public office) as follows:

The Truth About “Effectively Connecting”, Form #05.056

<https://sedm.org/Forms/05-MemLaw/EffectivelyConnected.pdf>

For those who don’t make the UNWISE DOMESTIC “U.S. person” election to become a government whore, the only thing taxable is under 26 U.S.C. §871(a). For that class of earnings, “compensation for services” are not listed and everything there is connected with ONLY “profit” and not gross receipts. Since retired pay is earned from human labor which labor is private property TO THE LABORER, and because the amount is computed based on time served, the amount earned is not taxable for the reasons indicated below in the case of those who file the 1040-NR for their military retired pay and make no elections:

1. *Policy Document: Retirement and Pensions*, Form #08.028
<https://sedm.org/Forms/08-PolicyDocs/RetirementAndPensions.pdf>
2. *Proof that Involuntary Income Taxes on Your Labor are Slavery*, Form #05.055
<https://sedm.org/Forms/05-MemLaw/ProofIncomeTaxLaborSlavery.pdf>

For those who want to file a nonresident alien 1040-NR FOREIGN tax return and lawfully not pay income tax on their retired pay, see:

1040-NR Attachment, Form #09.077

<https://sedm.org/Forms/09-Procs/1040NR-Attachment.pdf>

Those American nationals wishing to AVOID the hazards of the DOMESTIC election and file FOREIGN to lawfully avoid most income taxes should visit the following website to discover all the nuances of doing so:

Foreign Tax Status Information Group (FTSIG) Website

<https://ftsig.org>

C. The Meaning of Certain Terms Used in the Internal Revenue Code

1. Contention: Taxpayer is not a “citizen” of the United States, thus not subject to the federal income tax laws.

Some individuals argue that they have rejected citizenship in the United States in favor of state citizenship; therefore, they are relieved of their federal income tax obligations. A variation of this argument is that a person is a free born citizen of a particular state and thus was never a citizen of the United States. The underlying theme of these arguments is the same: the person is not a United States citizen and is not subject to federal tax laws because only United States citizens are subject to these laws.

The Law: The Fourteenth Amendment to the United States Constitution defines the basis for United States citizenship, stating that “[a]ll persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside.” The Fourteenth Amendment therefore establishes simultaneous state and federal citizenship. Claims that individuals are not citizens of the United States but are solely citizens of a sovereign state and not subject to federal taxation have been uniformly rejected by the courts.

As the sophists the IRS is, they didn't define the term "United States". It has MANY meanings in law, and not defining the context is a favorite tactic of sophists who want to STEAL from and deceive you. The many contexts for the term "United States" are defined below:

Family Guardian Disclaimer, Section 4.32: United States
https://famguardian.org/disclaimer.htm#4.32._United_States

If IRS defined the context of all major terms in this document, they would expose their fraud and deception that enslaves millions. Suffice it to say that the only accurate way to describe the term "United States" as they use it is the federal zone and excluding the exclusive jurisdiction of states of the Union. But this is true ONLY insofar as the party consent consents to NOTHING the government offers and makes NO elections. All our members and users are not allowed by our member agreement to consent to ANYTHING the government wants or to make any elections, by the way. ANYTHING is possible in the presence of consent because consent waives all your rights.

Even in the presence of consent, however, there is no constitutional authority even by consent for anyone to:

1. EXPAND any statutory definition to include anything not expressly indicated. That would:
 - 1.1. Illegally violate the rules of statutory construction and interpretation.
 - 1.2. Destroy the separation of powers between the states and the national government at the heart of the constitution.
 - 1.3. Be an unconstitutional exercise of legislative powers reserved ONLY to the legislature.
 - 1.4. Violate due process of law.
2. Pursue a domicile in a foreign jurisdiction they don't live in or represent an office or status domiciled in that foreign, extraterritorial jurisdiction.
3. Create new offices in the government or "elect" oneself into an office without a proper oath or appointment as dictated by Title 5 of the U.S. code. There is no provision within Title 26 that expressly authorizes the creation of any new offices, including "taxpayer", "person", "citizen", or "resident". Only those who already lawfully occupy a public office, position, or status through a lawful appointment or election under Title 5 can therefore ALSO pursue a status under Title 26.

This rebuttal also cites several court cases which cannot do any of the above either. Courts are not legislative bodies and cannot expand the definition of "citizen" in 26 C.F.R. §1.1-1(b) and (c) or "United States" in 26 U.S.C. §7701(a)(9) and (a)(10). They would be usurping legislative power to do so, and below would be the result if they did:

"When the legislative and executive powers are united in the same person, or in the same body of magistrates, there can be no liberty; because apprehensions may arise, lest the same monarch or senate should enact tyrannical laws, to execute them in a tyrannical manner."

Again, there is no liberty, if the judiciary power be not separated from the legislative and executive. Were it joined with the legislative, the life and liberty of the subject would be exposed to arbitrary control; for the judge would be then the legislator. Were it joined to the executive power, the judge might behave with violence and oppression [sound familiar?].

There would be an end of everything, were the same man or the same body, whether of the nobles or of the people, to exercise those three powers, that of enacting laws, that of executing the public resolutions, and of trying the causes of individuals."

[. . .]

In what a situation must the poor subject be in those republics! The same body of magistrates are possessed, as executors of the laws, of the whole power they have given themselves in quality of legislators. They may plunder the state by their general determinations; and as they have likewise the judiciary power in their hands, every private citizen may be ruined by their particular decisions."

[The Spirit of Laws, Charles de Montesquieu, 1758, Book XI, Section 6;
SOURCE: http://famguardian.org/Publications\SpiritOfLaws\sol_11.htm]

IRS points out that many people improperly describe their citizens in the process of filing tax returns. For those pursuing the nonresident alien position that is mandatory for all members, it is ESSENTIAL to properly aver your citizenship status in the court record using the following article, or you are likely to end up rightly being labelled as frivolous:

How to Aver Your Status as a Fourteenth Amendment "nonresident alien", FTSIG
<https://ftsig.org/how-to-aver-your-status-as-a-fourteenth-amendment-nonresident-alien/>

There are also TWO types of "citizens", and the IRS in its TYPICAL DECEPTIVE fashion is equivocating here on WHICH of the two they are referring to so that everyone falsely believes they are the same and thus cannot escape tax obligations:

1. POLITICAL Citizen* by virtue of birth or naturalization. This is referenced in [26 C.F.R. §1.1-1\(c\)](#).
2. CIVIL/DOMICILED Citizen**+D by virtue of DOMICILE within the exclusive jurisdiction of the national government. This is referenced in [26 C.F.R. §1.1-1\(a\)](#).

The IRS' statement is clearly referring to item 1 above and NOT item 2 above because they refer to birth or naturalization. That is also why they refer to "citizens" in the title instead of "citizens of the United States***". We therefore agree with the IRS on this subject. It is ludicrous to claim that POLITICAL "citizen*" status identified in [8 U.S.C. §1401](#) or 26 C.F.R. §1.1-1(c) is the origin of our tax liability. Instead, the origin of the authority of the government to impose an income tax is EITHER:

1. A VOLUNTARY choice of "domicile" within the exclusive jurisdiction of Congress in the federal zone or
2. A VOLUNTARY "election" (consent) to be treated "AS IF" one is a TERRITORIAL/DOMICILED "citizen*" of the United States*** in 26 C.F.R. §1.1-1(a), also called a "U.S. person" in [26 U.S.C. §7701\(a\)\(30\)](#).

The need for either of the above two elections BEYOND mere POLITICAL/TERRITORIAL "national and citizen of the United States** at birth" status in 8 U.S.C. §1401 is explained in the authorities below:

"In a legal or narrower sense, the term "franchise" is more often used to designate a right or privilege conferred by law, [1] and the view taken in a number of cases is that to be a franchise, the right possessed must be such as cannot be exercised without the express permission of the sovereign power [2] –that is, a privilege or immunity of a public nature which cannot be legally exercised without legislative grant. [3] It is a privilege conferred by government on an individual or a corporation to do that "which does not belong to the citizens [NATIONALS or "nationals of the United States" who are nonresident aliens] of the country generally by common right." [4] For example, a right to lay rail or pipes, or to string wires or poles along a public street, is not an ordinary use which everyone may make of the streets, but is a special privilege, or franchise, to be granted for the accomplishment of public objects [5] which, except for the grant, would be a trespass. [6] In this connection, the term "franchise" has sometimes been construed as meaning a grant of a right to use public property, or at least the property over which the granting authority has control. [7]"
[American Jurisprudence 2d, Franchises, §1: Definitions (1999)]

Privilege. *A particular benefit or advantage enjoyed by a person, company, or class **beyond the common advantages of other citizens. An exceptional or extraordinary power or exemption.** A peculiar right, advantage, exemption, power, franchise, or immunity held by a person or class, not generally possessed by others.*
[Black's Law Dictionary, Sixth Edition, p. 1197]

Ordinary POLITICAL/TERRITORIAL "citizens" under [26 C.F.R. §1.1-1\(c\)](#) have common rights and therefore that status CANNOT be a franchise. So they had to tack "of the United States*****" federal corporation at the end to make it a franchise that pertains to a SPECIFIC consenting human. THIS is why the U.S. Supreme Court refers to income taxes as "quasi-contractual" in nature in [Milwaukee v. White, 296 U.S. 268 \(1935\)](#). THIS VOLUNTEER "citizen* of the United States*****" federal corporation is, in fact, SYNONYMOUS with the government itself and therefore is an AGENT of the government:

"A corporation is a citizen, [resident](#), or inhabitant of the state or country by or under the laws of which it was created, and of that state or country only."
[19 Corpus Juris Secundum (C.J.S.), Corporations, §886 (2003)]

"A foreign corporation is one that derives its existence solely from the laws of another state, government, or country, and the term is used indiscriminately, sometimes in statutes, to designate either a corporation created by or under the laws of another state or a corporation created by or under the laws of a foreign country."
*"A federal corporation operating within a state is considered a domestic corporation rather than a foreign corporation. **The United States government is a [foreign](#) corporation with respect to a state.**"*
[19 Corpus Juris Secundum (C.J.S.), Corporations, §883 (2003)]

Thus, the "citizen" who is the "taxpayer" is a POLITICAL/TERRITORIAL citizen who VOLUNTEERED to work WITHIN the Treasury Department under the Secretary of the Treasury by making an election in filing the 1040 return, and thus LITERALLY "electing" themselves into government office or agency. They are "foreign" in respect to a constitutional state and an agent of the national government. That ELECTION is thoroughly described in:

[How American Nationals VOLUNTEER to Pay Income Tax](https://sedm.org/Forms/08-PolicyDocs/HowYouVolForIncomeTax.pdf), Form #08.024

<https://sedm.org/Forms/08-PolicyDocs/HowYouVolForIncomeTax.pdf>

BOTH of the above elections are effectively made merely by filing the WRONG tax return form, the 1040, in the case of most Americans. Quit jumping off the cliff like lemmings, people! In fact, its even UNLAWFUL to do so! By “unlawful” we mean NOT EXPRESSLY AUTHORIZED by law, rather than EXPRESSLY PROHIBITED by law. See for yourself:

[There is NO LAW that permits an American National as a Nonresident Alien to Elect to be a U.S. person if they are NOT married to one](https://sedm.org/there-is-no-law-that-permits-an-american-national-as-a-nonresident-alien-to-elect-to-be-a-u-s-person-if-they-are-not-married-to-one/), SEDM

<https://sedm.org/there-is-no-law-that-permits-an-american-national-as-a-nonresident-alien-to-elect-to-be-a-u-s-person-if-they-are-not-married-to-one/>

Mere “nationality” alone is ALSO not the origin of the status of “citizen of the United States” tax status in [26 C.F.R. §1.1-1\(a\)](#) or “U.S. person” tax status in 26 U.S.C. §7701(a)(30), because [26 U.S.C. §873\(b\)\(4\)](#) recognizes the ability of “nationals of the United States” such as POLITICAL/CONSTITUTIONAL citizens under EITHER the Fourteenth Amendment or [8 U.S.C. §1401](#) to claim “nonresident alien” status under 26 U.S.C. §7701(b)(1)(B). You might therefore reasonably ask what exactly IS the origin of the obligation to pay income tax? The presentation below answers this question:

[How American Nationals Volunteer to Pay Income Tax](https://sedm.org/Forms/08-PolicyDocs/HowYouVolForIncomeTax.pdf), Form #08.024

<https://sedm.org/Forms/08-PolicyDocs/HowYouVolForIncomeTax.pdf>

Note also that mere physical presence alone within the exclusive jurisdiction of Congress on federal territory is ALSO INSUFFICIENT in the case of an American National to create an income tax obligation because American Nationals are NOT subject to the presence test in [26 U.S.C. §7701\(b\)](#). Domicile is not a function of mere physical presence, nor can it be imposed upon ANYONE against their will without violating the Thirteenth Amendment prohibition against involuntary servitude.

Below is what the U.S. Supreme Court held on this subject of VOLUNTARY DOMICILE as the origin of income tax liability:

"Thus, the Court has frequently held that domicile or residence, more substantial than mere presence in transit or sojourn, is an adequate basis for taxation, including income, property, and death taxes. Since the Fourteenth Amendment makes one a citizen of the state wherein he resides, the fact of residence creates universally reciprocal duties of protection by the state and of allegiance and support by the citizen. The latter obviously includes a duty to pay taxes, and their nature and measure is largely a political matter. Of course, the situs of property may tax it regardless of the citizenship, domicile, or residence of the owner, the most obvious illustration being a tax on realty laid by the state in which the realty is located."

[Miller Brothers Co. v. Maryland, [347 U.S. 340](#) (1954)]

Domicile is a choice of allegiance and political association. The First Amendment gives us a right to freely associate and makes it illegal to be compelled to politically associate with any group. Therefore, one’s choice of domicile is voluntary. Because domicile is the origin of the government’s authority to impose an income tax, then all income taxes are voluntary. If we want to unvolunteer, we simply abandon our domicile and disassociate with the government by exercising our First Amendment rights. This is exhaustively explained in the informative article below, which also explains what affect that change of domicile has on our citizenship status:

[Why Domicile and Becoming a “Taxpayer” Require Your Consent](http://famguardian.org/Subjects/Taxes/Articles/DomicileBasisForTaxation.htm), Family Guardian Fellowship

<http://famguardian.org/Subjects/Taxes/Articles/DomicileBasisForTaxation.htm>

However, most freedom advocates, in their legal ignorance, do not understand the interaction of domicile with citizenship and come to the definitely false conclusion that being a “citizen” is what made them a “taxpayer”. In fact, aliens with a domicile in the United States are called “residents” and “residents” can also be “taxpayers”. Below is a table summarizing the interaction of one’s citizenship and domicile that is very revealing:

Table 1: Effect of domicile on citizenship status

Description	CONDITION		
	Domicile WITHIN the FEDERAL ZONE and located in FEDERAL ZONE	Domicile WITHIN the FEDERAL ZONE and temporarily located abroad in foreign country	Domicile WITHOUT the FEDERAL ZONE and located WITHOUT the FEDERAL ZONE
Location of domicile	“United States” per 26 U.S.C. §§7701(a)(9) and (a)(10) , 7701(a)(39) , 7408(d)	“United States” per 26 U.S.C. §§7701(a)(9) and (a)(10) , 7701(a)(39) , 7408(d)	Without the “United States” per 26 U.S.C. §§7701(a)(9) and (a)(10) , 7701(a)(39) , 7408(d)
Physical location	Federal territories, possessions, and the District of Columbia	Foreign nations ONLY (NOT states of the Union)	Foreign nations states of the Union Federal possessions
Tax Status	“U.S. Person” 26 U.S.C. §7701(a)(30)	“U.S. Person” 26 U.S.C. §7701(a)(30)	“Nonresident alien individual” if a public officer in the U.S. government. 26 C.F.R. §1.1441-1(c)(3)(ii) “Non-resident NON-person” if NOT a public officer in the U.S. government
Tax form(s) to file	IRS Form 1040	IRS Form 1040 plus 2555	IRS Form 1040NR : “alien individuals”, “nonresident alien individuals” <u>No filing requirement</u> : “non-resident NON-person”
Status if DOMESTIC “national of the United States**”	“national and citizen of the United States** at birth” per 8 U.S.C. §1401 and “citizen of the United States**” per 8 U.S.C. §1101(a)(22)(A) if born in on federal territory. (Not required to file if physically present in the “United States” because no statute requires it)	Citizen abroad 26 U.S.C. §911 (Meets presence test)	“non-resident” if born in a state of the Union 8 U.S.C. §1408 , 8 U.S.C. §1452 , and 8 U.S.C. §1101(a)(22)(B) if born in a possession.
Status if FOREIGN “national” pursuant to 8 U.S.C. §1101(a)(21)	“Resident alien” 26 U.S.C. §7701(b)(1)(A)	“Resident alien abroad” 26 U.S.C. §911 (Meets presence test)	“Nonresident alien individual” if a public officer in the U.S. government. 26 C.F.R. §1.1441-1(c)(3)(ii) “Non-resident NON-person” if NOT a public officer in the U.S. government

NOTES:

1. “United States” is defined as federal territory within [26 U.S.C. §§7701\(a\)\(9\)](#) and [\(a\)\(10\)](#), [7701\(a\)\(39\)](#), and [7408\(d\)](#), and [4 U.S.C. §110\(d\)](#). It does not include any portion of a Constitutional state of the Union.
2. The “District of Columbia” is defined as a federal corporation but not a physical place, a “body politic”, or a de jure “government” within the District of Columbia Act of 1871, 16 Stat. 419, 426, Sec. 34. See: [Corporatization and Privatization of the Government](#), Form #05.024; <http://sedm.org/Forms/FormIndex.htm>.
3. “nationals” of the United States of America who are domiciled outside of federal jurisdiction, either in a state of the Union or a foreign country, are “nationals” but not “citizens” under federal law. They also qualify as “nonresident aliens” under [26 U.S.C. §7701\(b\)\(1\)\(B\)](#) if and only if they are engaged in a public office. See sections 4.11.2 of the [Great IRS Hoax](#), Form #11.302 for details.
4. Temporary domicile in the middle column on the right must meet the requirements of the “Presence test” documented in IRS publications.
5. District of Columbia, Puerto Rico, and the territories and insular possessions of the United States in the above table.

From the above table, we can see that those with a domicile in the federal zone include both CIVIL/DOMICILED “citizens**+D” and “residents”. Collectively, this group of people are called “inhabitants” and “U.S. persons” in [26 U.S.C. §7701\(a\)\(30\)](#). A human being can live somewhere and not have a domicile there, and when they do this, they are called “transient foreigners”. Within the Internal Revenue Code, they are called “nonresident aliens”.

It is impossible for a “transient foreigner” to be a “taxpayer” under [Subtitle A of the I.R.C.](#) if he properly fills out all IRS Forms to accurately reflect his status. If a person is born in the United States, then he is a “national”. If he has a domicile in the “United States”, then he becomes a “citizen”. If he abandons his domicile in the federal zone, then he becomes a “national but not a citizen” under federal law, and is described in [8 U.S.C. §1101\(a\)\(21\)](#) as a person owing allegiance to a legislatively but not constitutionally foreign “state”. This is the status of humans born within a state of the Union at birth. If you would like to learn more about this subject of citizenship of persons domiciled in states of the Union, see:

Why You are a Political Citizen but Civil Non-Citizen, National, and Nonresident Alien, Form #05.006
<http://sedm.org/Forms/FormIndex.htm>

A person who is a “transient foreigner” and a “nonresident alien” earns no “gross income” and therefore could only put “0” on a tax return for “Income”:

Title 26: Internal Revenue
[PART 1—INCOME TAXES](#)
[nonresident alien individuals](#)
[§ 1.872-2 Exclusions from gross income of nonresident alien individuals.](#)

(f) *Other exclusions.*

Income which is from sources without [outside] the United States [District of Columbia, see [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10)], as determined under the provisions of sections 861 through 863, and the regulations thereunder, is not included in the gross income of a nonresident alien individual unless such income is effectively connected for the taxable year with the conduct of a trade or business in the United States by that individual. To determine specific exclusions in the case of other items which are from sources within the United States, see the applicable sections of the Code. For special rules under a tax convention for determining the sources of income and for excluding, from gross income, income from sources without the United States which is effectively connected with the conduct of a trade or business in the United States, see the applicable tax convention. For determining which income from sources without the United States is effectively connected with the conduct of a trade or business in the United States, see section [864\(c\)\(4\)](#) and §1.864-5.

If an ignorant employer who refused to recognize the status of a “transient foreigner” as a “nonresident alien” not engaged in a trade or business and maliciously filed an information return, such as a W-2 or 1099 against that person, then:

1. The false return could easily be corrected. See:
 - a. [Correcting Erroneous Information Returns](#), Form #04.001
<http://sedm.org/Forms/FormIndex.htm>
 - b. [Correcting Erroneous IRS Form W-2's](#), Form #04.006:
<http://sedm.org/Forms/FormIndex.htm>
 - c. [Correcting Erroneous IRS Form 1042s](#), Form #04.003
<http://sedm.org/Forms/FormIndex.htm>
 - d. [Correcting Erroneous IRS Form 1098's](#), Form #04.004:
<http://sedm.org/Forms/FormIndex.htm>
 - e. [Correcting Erroneous IRS Form 1099's](#), Form #04.005:
<http://sedm.org/Forms/FormIndex.htm>
2. The private employer could be prosecuted for a minimum of \$5,000 for filing a false information return under 26 U.S.C. §7434.

Those who want to educate their private employers about how to properly complete information returns can provide them with the following free resources:

1. [Federal Tax Withholding](#), Form #04.102.
<http://sedm.org/Forms/FormIndex.htm>
2. [Demand for Verified Evidence of “Trade or Business” activity: Information Return](#), Form #04.007:
<http://sedm.org/Forms/FormIndex.htm>

Those wishing to pursue the nonresident alien tax status are invited to read:

1. *Foreign Tax Status Information Group Website*
<https://ftsig.org>
2. *Nonresident Alien Position Course*, Form #12.045
<https://sedm.org/LibertyU/NRA.pdf>
3. *Non-Resident Non-Person Position*, Form #05.020
<https://sedm.org/Forms/05-MemLaw/NonresidentNonPersonPosition.pdf>
4. *Property View of Income Taxation Course*, Form #12.046
<https://sedm.org/LibertyU/PropertyViewOfIncomeTax.pdf>

Relevant Case Law:

O'Driscoll v. I.R.S., 1991 U.S. Dist. LEXIS 9829, at *5-6 (E.D. Pa. 1991) – the court stated, “despite [taxpayer’s] linguistic gymnastics, he is a citizen of both the United States and Pennsylvania, and liable for federal taxes.”

United States v. Sloan, 939 F.2d. 499, 500 (7th Cir. 1991), cert. denied, 502 U.S. 1060, reh’g denied, 503 U.S. 953 (1992) – the court affirmed a tax evasion conviction and rejected Sloan’s argument that the federal tax laws did not apply to him because he was a “freeborn, natural individual, a citizen of the State of Indiana, and a ‘master’ – not ‘servant’ – of his government.”

United States v. Ward, 833 F.2d. 1538, 1539 (11 th Cir. 1987), cert. denied, 485 U.S. 1022 (1988) – the court found Ward’s contention that he was not an “individual” located within the jurisdiction of the United States to be “utterly without merit” and affirmed his conviction for tax evasion.

United States v. Sileven, 985 F.2d. 962 (8th Cir. 1993) – the court rejected the argument that the district court lacked jurisdiction because the taxpayer was not a federal citizen as “plainly frivolous.”

United States v. Gerads, 999 F.2d. 1255, 1256 (8th Cir. 1993) – the court rejected the Gerads’ contention that they were “not citizens of the United States, but rather ‘Free Citizens of the Republic of Minnesota’ and, consequently, not subject to taxation” and imposed sanctions “for bringing this frivolous appeal based on discredited, tax-protestor arguments.”

Solomon v. Commissioner, T.C. Memo. 1993-509, 66 T.C.M. (CCH) 1201, 1202-03 (1993) – the court rejected Solomon’s argument that as an Illinois resident his income was from outside the United States, stating “[he] attempts to argue an absurd proposition, essentially that the State of Illinois is not part of the United States. His hope is that he will find some semantic technicality which will render him exempt from Federal income tax, which applies generally to all U.S. citizens and residents. [His] arguments are no more than stale tax protester contentions long dismissed summarily by this Court and all other courts which have heard such contentions.”

2. Contention: The “United States” consists only of the District of Columbia, federal territories, and federal enclaves.

Some argue that the United States consists only of the District of Columbia, federal territories (e.g., Puerto Rico, Guam, etc.), and federal enclaves (e.g., American Indian reservations, military bases, etc.) and does not include the “sovereign” states. According to this argument, if a taxpayer does not live within the “United States,” as so defined, he is not subject to the federal tax laws.

The Law: The Internal Revenue Code imposes a federal income tax upon all United States citizens and residents, not just those who reside in the District of Columbia, federal territories, and federal enclaves. In *United States v. Collins*, 920 F.2d. 619, 629 (10 th Cir. 1990), cert. denied, 500 U.S. 920 (1991), the court cited *Brushaber v. Union Pac. R.R.*, 240 U.S. 1, 12-19 (1916), and noted the United States Supreme Court has recognized that the “sixteenth amendment authorizes a direct nonapportioned tax upon United States citizens throughout the nation, not just in federal enclaves.” This frivolous contention has been uniformly rejected by the courts.

The "United States" has TWO main contexts:

- (1) Geographical and;
- (2) Legal or corporate.

The only one of these two that is EXPRESSLY defined in the I.R.C. is the geographical in 26 U.S.C. §7701(a)(9) and (a)(10). The LEGAL or CORPORATE context is, however, synonymous with the term "domestic" defined in 26 U.S.C. §7701(a)(4). "Domestic" is not a GEOGRAPHICAL term, but a LEGAL term and civil status. The "domestic" context consists essentially of the United States federal corporation as a legal fiction created by the Constitution composed essentially of all public property and offices managed by the Constitution as a trust indenture. The corpus of the Constitution as a trust indenture is all the community property collectively owed by the states of the Union that is managed by the United States corporation as their agent and fiduciary under the Constitution. Everything INSIDE this corporation is INTERNAL to the "United States****". Hence, the "INTERNAL Revenue Service". This is entirely consistent with the enforcement authority of the I.R.S., which must limit itself to government agents and officers and never private persons as indicated in:

[Challenging Jurisdiction Workbook](https://sedm.org/Forms/09-Pros/ChalJurWorkbook.pdf), Form #09.082
<https://sedm.org/Forms/09-Pros/ChalJurWorkbook.pdf>

Everything OUTSIDE the United States**** corporation is private, EXTERNAL, and CIVILLY but not POLITICALLY "foreign" under 26 U.S.C. §7701(a)(5). To owe a tax obligation to the United States**** federal corporation, you have to elect to join it by engaging in the "trade or business" excise taxable franchise, which is defined as "the functions of a public office", keeping in mind that all the people working for the United States**** federal corporation as agents, officers, or "employees" are said officers. Those whose "person" and "property" are entirely outside the United States**** corporate fiction are identified as a "foreign estate" in 26 U.S.C. §7701(a)(31) and identify as a "nonresident alien" under 26 U.S.C. §7701(b)(1)(B). Even American nationals born anywhere in the COUNTRY "United States*" can elect the "nonresident alien" civil status and file the 1040NR. A whole website addresses this subject which is very educational:

Foreign Tax Status Information Group (FTSIG)
<https://ftsig.org>

Not surprisingly, the civilly "foreign" nature of the United States**** corporation in relation to the exclusive jurisdiction of a constitutional state and the requirement that you must become "foreign" to lawfully avoid income tax is a carefully guarded third rail issue that people in the government and legal profession are loath to discuss for obvious reasons. We can't let the government sheep off the federal plantation, you know! BAAAH!

What makes a human being subject to the tax laws at the STATE level is a VOLUNTARY CIVIL "domicile" or "residence" within the exclusive jurisdiction of the taxing authority. [Lawrence v. State Tax Commission, 286 U.S. 276 \(1932\)](#). At the national level, tax obligations are established not by express voluntary civil domicile but instead by either a "U.S. person" election made in filing a 1040, or privileged alienage status of those doing business with the United States****. These mechanisms are all documented in 26 C.F.R. §1.1-1.

The U.S. Supreme Court confirmed the domicile aspect in the context of states of the Union when it held:

"Thus, the Court has frequently held that domicile or residence, more substantial than mere presence in transit or sojourn, is an adequate basis for taxation, including income, property, and death taxes. Since the Fourteenth Amendment makes one a citizen of the state wherein he resides, the fact of residence creates universally reciprocal duties of protection by the state and of allegiance and support by the citizen. The latter obviously includes a duty to pay taxes, and their nature and measure is largely a political matter. Of course, the situs of property may tax it regardless of the citizenship, domicile, or residence of the owner, the most obvious illustration being a tax on realty laid by the state in which the realty is located."
[Miller Brothers Co. v. Maryland, [347 U.S. 340](#) (1954)]

A human can have a domicile in a place without actually physically living there. And, they can represent an entity with a domicile that does not match their own under Federal Rule of Civil procedure 17. That would be the case of those representing the "taxpayer" and "U.S. person" fictions while in a CIVILLY foreign state such as a state of the Union. These civil fictions have a domicile of their own independent of the human who volunteers to be surety for the fiction. Only by consent can the fiction and the human become legally connected so that the human becomes surety for the fiction. Otherwise, criminal identity theft is involved as documented in :

Within law, however, a person can have only ONE legal domicile:

"domicile. A person's legal home. That place where a man has his true, fixed, and permanent home and principal establishment, and to which whenever he is absent he has the intention of returning. Smith v. Smith, 206 Pa.Super. 310, 213 A.2d. 94. Generally, physical presence within a state and the intention to make it one's home are the requisites of establishing a "domicile" therein. The permanent residence of a person or the place to which he intends to return even though he may actually reside elsewhere. A person may have more than one residence but only one domicile. The legal domicile of a person is important since it, rather than the actual residence, often controls the jurisdiction of the taxing authorities and determines where a person may exercise the privilege of voting and other legal rights and privileges."
[Black's Law Dictionary, Sixth Edition, p. 485]

A person physically present in a state of the Union can, for instance, maintain a legal "residence" in the District of Columbia while his legal domicile is elsewhere by volunteering to be surety for the "taxpayer" or "U.S. person" fictions domiciled elsewhere. This would be accomplished under the provisions of [26 U.S.C. §6013\(g\)](#) or [26 U.S.C. §7701\(b\)\(4\)](#) by making an "election". That election would be accomplished by:

1. Signing and submitting an IRS Form 1040, instead of the proper IRS Form 1040NR and assessing oneself with a liability, even if they in fact do not have one.
2. Signing and submitting an IRS Form W-4 to procure "social insurance".
3. By filling out any federal form and identifying themselves as an "individual". An "individual" is defined in the Privacy Act, [5 U.S.C. §552a\(a\)\(2\)](#) as a "citizen" or "permanent resident" of the United States (federal zone). What these two groups of legal fictions have in common is a legal "domicile" or "residence" in the District of Columbia, which is what the "United States" is defined as in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10). Consequently, a person who identifies themselves as an "individual" is a "taxpayer" by implication. The IRS Form W-8BEN, for instance, uses the term "individual" as the only option available for human beings to describe themselves. This is a TRAP, and anyone who fills out this form without lining out "individual" and replacing it with "transient foreigner" is nominating themselves not only to be an "individual", but also to be a federal public officer. The Privacy Act definition above appears in Title 5 of the U.S. Code, which is entitled "Government Organization and Employees". You can't be an "individual" without being a government employee or agent. Furthermore, once they nominate themselves to be an "individual" by filling out a federal form and indicating they are "individuals", then under the provisions of [26 U.S.C. §7701\(a\)\(39\)](#) and [26 U.S.C. §7408\(c\)](#), their effective "residence" or "domicile" again shifts to the District of Columbia. Their identity has effectively been "legally kidnapped" if this transformation occurred without the knowledge and informed consent of the subject, in violation of [18 U.S.C. §1201](#).
4. Having an information return filed against oneself and not rebutting it, including IRS Forms W-2, 1042-S, 1098, or 1099. An information return creates a prima facie presumption, under [26 U.S.C. §6041](#) that the person it was filed against is engaged in a "trade or business". A "trade or business" is legally defined in [26 U.S.C. §7701\(a\)\(26\)](#) as "the functions of a public office". Since [4 U.S.C. §72](#) requires all "public offices" be only in the District of Columbia, then they essentially acquiesced to being treated as a person with a residence in the District of Columbia. That "residence" applies while they are exercising the official duties of the "public office", because they are representing the "United States Government" as a "public official". That government is a federal corporation whose legal domicile is in the District of Columbia, and therefore they take on the legal character of the party they represent as a "public officer". Under Federal Rule of Civil Procedure 17(b) confirms that the capacity to sue or be sued in the case of a person acting as an officer of a corporation are determined by the laws of the place where the corporation was formed, which in the case of the federal government is the District of Columbia.

Subtitle A of the I.R.C. is primarily a tax on the excise taxable activity called a "trade or business", which is a "public office". That "public office" is in the United States government. Everything that goes on an IRS Form 1040 is income connected with a "trade or business" because it is subject to deductions under [26 U.S.C. §162](#). Likewise, everything in the "effectively connected" section of the 1040NR is "effectively connected with a trade or business". The form is completed by "individuals", which means federal employees or public officers who work for the government whose OFFICE but not necessarily THEM is domiciled in the District of Columbia as required by [4 U.S.C. §72](#), which is what the term "United States" is defined as in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10). It doesn't matter where such a person lives or works because the tax is on an activity, not a person. When they signed the W-4, [26 C.F.R. §31.3401\(a\)-3\(a\)](#) says that they signed an agreement or contract. That contract made them into federal "public officers" and they became effectively "Kelly Girls" who are on loan to a private employer. They have a new boss, and that boss is Uncle Sam. Uncles Sam had to become their new employer in order to pay them any

kind of benefits. The U.S. Supreme Court confirmed this by saying that the U.S. government can only spend tax money on a “public purpose”, and paying money to private individuals who are not federal employees is NOT a “public purpose”

*“The power to tax is, therefore, the strongest, the most pervading of all powers of government, reaching directly or indirectly to all classes of the people. It was said by Chief Justice Marshall, in the case of McCulloch v. Md., 4 Wheat. 431, that the power to tax is the power to destroy. A striking instance of the truth of the proposition is seen in the fact that the existing tax of ten per cent, imposed by the United States on the circulation of all other banks than the National Banks, drove out of existence every *state bank of circulation within a year or two after its passage. This power can be readily employed against one class of individuals and in favor of another, so as to ruin the one class and give unlimited wealth and prosperity to the other, if there is no implied limitation of the uses for which the power may be exercised.*

To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms.

Nor is it taxation. ‘A tax,’ says Webster’s Dictionary, ‘is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.’ ‘Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.’ Cooley, Const. Lim., 479.

Coulter, J., in Northern Liberties v. St. John’s Church, 13 Pa. St., 104 says, very forcibly, ‘I think the common mind has everywhere taken in the understanding that taxes are a public imposition, levied by authority of the government for the purposes of carrying on the government in all its machinery and operations—that they are imposed for a public purpose.’ See, also Pray v. Northern Liberties, 31 Pa.St., 69; Matter of Mayor of N.Y., 11 Johns., 77; Camden v. Allen, 2 Dutch., 398; Sharpless v. Mayor, supra; Hanson v. Vernon, 27 Ia., 47; Whiting v. Fond du Lac, supra.”
[Loan Association v. Topeka, 20 Wall. 655 (1874)]

“A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the support of the government. The word has never thought to connote the expropriation of money from one group for the benefit of another.”
[U.S. v. Butler, 297 U.S. 1 (1936)]

Private individuals cannot lawfully accept any kind of payments from the federal government derived from taxes, because taxes can only be spent on a “public purpose”

“Public purpose. In the law of taxation, eminent domain, etc., this is a term of classification to distinguish the objects for which, according to settled usage, the government is to provide, from those which, by the like usage, are left to private interest, inclination, or liberality. The constitutional requirement that the purpose of any tax, police regulation, or particular exertion of the power of eminent domain shall be the convenience, safety, or welfare of the entire community and not the welfare of a specific individual or class of persons [such as, for instance, federal benefit recipients as individuals]. “Public purpose” that will justify expenditure of public money generally means such an activity as will serve as benefit to community as a body and which at same time is directly related function of government. Pack v. Southwestern Bell Tel. & Tel. Co., 215 Tenn. 503, 387 S.W.2d. 789, 794.

The term is synonymous with governmental purpose. As employed to denote the objects for which taxes may be levied, it has no relation to the urgency of the public need or to the extent of the public benefit which is to follow; the essential requisite being that a public service or use shall affect the inhabitants as a community, and not merely as individuals. A public purpose or public business has for its objective the promotion of the public health, safety, morals, general welfare, security, prosperity, and contentment of all the inhabitants or residents within a given political division, as, for example, a state, the sovereign powers of which are exercised to promote such public purpose or public business.”
[Black’s Law Dictionary, Sixth Edition, p. 1231, Emphasis added]

Therefore, you can’t accept any federal benefit, including Medicare, Social Security, Unemployment compensation, etc. WITHOUT being a federal “employee” or “public officer” engaged in an excise taxable “trade or business”. That “public officer” now works as a fiduciary and “trustee” for the public at large:

“As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be exercised in behalf of the government or of all citizens who may need the intervention of the officer.” ⁷ Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level of government, and whatever be their private vocations, are trustees of the people, and accordingly labor under every disability and prohibition imposed by law upon trustees relative to the making of personal financial gain from a discharge of their trusts. ⁸ That is, a public officer

⁷ State ex rel. Nagle v. Sullivan, 98 Mont 425, 40 P.2d. 995, 99 A.L.R. 321; Jersey City v. Hague, 18 NJ 584, 115 A2d 8.

⁸ Georgia Dep’t of Human Resources v. Sistrunk, 249 Ga. 543, 291 S.E.2d. 524. A public official is held in public trust. Madlener v. Finley (1st Dist) 161 Ill.App.3d. 796, 113 Ill Dec 712, 515 N.E.2d. 697, app gr 117 Ill Dec 226, 520 N.E.2d. 387 and revd on other grounds 128 Ill.2d. 147, 131 Ill Dec 145, 538 N.E.2d. 520.

occupies a fiduciary relationship to the political entity on whose behalf he or she serves.⁹ and owes a fiduciary duty to the public.¹⁰ It has been said that the fiduciary responsibilities of a public officer cannot be less than those of a private individual.¹¹ Furthermore, it has been stated that any enterprise undertaken by the public official which tends to weaken public confidence and undermine the sense of security for individual rights is against public policy.¹²”
[63C Am.Jur.2d, Public Officers and Employees, §247 (1999)]

The term “trade or business”, therefore is synonymous with federal contracts and employment. The definition of “foreign” in 26 U.S.C. §7701(a)(4) also confirms that those NOT engaged in said contracts or employment are “foreign” and therefore PRIVATE and EXTERNAL to the United States**** corporation. When you sign the W-4 as a private worker, you just became a federal contractor. This is also confirmed by the Privacy Act, [5 U.S.C. §552a\(a\)\(13\)](#), which defines “federal personnel” as including anyone entitled to receive any federal benefit.

[TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II > § 552a](#)
[§ 552a. Records maintained on individuals](#)

(a) Definitions.— For purposes of this section—

(13) the term “Federal personnel” means officers and employees of the Government of the United States, members of the uniformed services (including members of the Reserve Components), individuals entitled to receive immediate or deferred retirement benefits under any retirement program of the Government of the United States (including survivor benefits).

The above is why former President Ronald Reagan said the following:

“The taxpayer-- that's someone who works for the federal government but doesn't have to take the civil service examination.”
[President Ronald W. Reagan]

Getting back to the subject of the above IRS statement, if you work for the “United States” as a “public officer”, then YOU ARE THE UNITED STATES, wherever you are. When you are exercising the official duties of a “public office” regardless of where you are located, including outside of the “federal zone”, then you are part of the “United States”. The United States is legally defined as a federal corporation . [28 U.S.C. §3002\(15\)\(A\)](#). Therefore, you are “an officer of a corporation” who:

1. Effectively become federal “employees” under [26 C.F.R. §31.3401\(c\)-1](#) and “subcontractors” for the federal government.
2. Are completely subject to federal jurisdiction without the need for implementing regulations published in the Federal Register, as revealed under [44 U.S.C. §1505\(a\)\(1\)](#), [5 U.S.C. §552\(a\)\(1\)](#), and [5 U.S.C. §553\(a\)\(2\)](#).
3. Are subject to penalties and the criminal provisions of the Internal Revenue Code while acting as “public officers”. Both [26 U.S.C. §6671\(b\)](#) and [26 U.S.C. §7343](#) define “person” as an officer of a corporation, and that corporation is the federal government, which is defined in [28 U.S.C. §3002\(15\)\(A\)](#) as a federal corporation.
4. Are withholding agents who are liable under [26 U.S.C. §1461](#), because they are nonresident aliens who must withhold federal kickbacks and send them to the IRS.
5. Are “transferees” and “fiduciaries” over federal payments under [26 U.S.C. §§6901](#) and 6903.

Therefore, it’s pointless to argue that the “United States” only includes the territories and possessions of the United States and the District of Columbia, and federal areas within the states. The “United States” includes all of its employees and franchises. The IRS Form W-4 is being used illegally as a private contract and private law that “elects” you into a public office. You are the only “voter” and if you sign the form, a cage is reserved for you on the federal plantation. You signed that contract voluntarily to procure the benefits of “social insurance”. By doing so, you yourself became an officer and contractor for the “United States” who is on loan to your private employer for a temporary assignment. Whether you are overseas in that

⁹ Chicago Park Dist. v. Kenroy, Inc., 78 Ill.2d. 555, 37 Ill Dec 291, 402 N.E.2d. 181, appeal after remand (1st Dist) 107 Ill.App.3d. 222, 63 Ill Dec 134, 437 N.E.2d. 783.

¹⁰ United States v. Holzer (CA7 Ill) 816 F.2d. 304 and vacated, remanded on other grounds 484 U.S. 807, 98 L.Ed. 2d 18, 108 S.Ct. 53, on remand (CA7 Ill) 840 F.2d. 1343, cert den 486 U.S. 1035, 100 L.Ed. 2d 608, 108 S.Ct. 2022 and (criticized on other grounds by United States v. Osser (CA3 Pa) 864 F.2d. 1056) and (superseded by statute on other grounds as stated in United States v. Little (CA5 Miss) 889 F.2d. 1367) and (among conflicting authorities on other grounds noted in United States v. Boylan (CA1 Mass) 898 F.2d. 230, 29 Fed Rules Evid Serv 1223).

¹¹ Chicago ex rel. Cohen v. Keane, 64 Ill.2d. 559, 2 Ill Dec 285, 357 N.E.2d. 452, later proceeding (1st Dist) 105 Ill.App.3d. 298, 61 Ill Dec 172, 434 N.E.2d. 325.

¹² Indiana State Ethics Comm'n v. Nelson (Ind App) 656 N.E.2d. 1172, reh gr (Ind App) 659 N.E.2d. 260, reh den (Jan 24, 1996) and transfer den (May 28, 1996).

capacity or in a state of the Union, you are still a federal contractor and still “within” the “United States”, because you ARE the United States in the context of any employment or work you perform in the context of that W-4.

The above conclusions are also confirmed by the definition of “United States” found in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10). That definition qualifies itself by saying “in a geographical sense”:

[TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701.](#) [Internal Revenue Code]
[Sec. 7701. - Definitions](#)

(a) *When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—*

(9) *United States*

*The term "United States" **when used in a geographical sense** includes only the [States](#) and the District of Columbia.*

(10) *State*

The term "State" shall be construed to include the District of Columbia, where such construction is necessary to carry out provisions of this title.

What the above definitions reveal is that only in a geographical sense does the “United States” mean the District of Columbia. HOWEVER, there are other senses used in the Internal Revenue Code, and at no time that we have found are these other senses either admitted or identified. In fact, we argue that the OTHER sense that the term “United States” is uses is in its context as a federal corporation:

United States Code
TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE
PART VI - PARTICULAR PROCEEDINGS
CHAPTER 176 - FEDERAL DEBT COLLECTION PROCEDURE
SUBCHAPTER A - DEFINITIONS AND GENERAL PROVISIONS
[Sec. 3002.](#) *Definitions*

(15) *"United States" means -*

(A) *a Federal corporation;*

(B) *an agency, department, commission, board, or other entity of the United States; or*

(C) *an instrumentality of the United States.*

The U.S. Supreme Court held that all “taxes” are treated as “debts”. Therefore, when “U.S. Inc.”, the federal corporation, attempts to collect taxes, it is collecting a debt as a federal corporation:

*“Even if the judgment is deemed to be colored by the nature of the obligation whose validity it establishes, and we are free to re-examine it, and, if we find it to be based on an obligation penal in character, to refuse to enforce it outside the state where rendered, see Wisconsin v. Pelican Insurance Co., [127 U.S. 265](#), 292, et seq. 8 S.Ct. 1370, compare Fauntleroy v. Lum, [210 U.S. 230](#), 28 S.Ct. 641, **still the obligation to pay taxes is not penal. It is a statutory liability, quasi contractual in nature, enforceable, if there is no exclusive statutory remedy, in the civil courts by the common-law action of debt or indebitatus assumpsit.** *United States v. Chamberlin*, [219 U.S. 250](#), 31 S.Ct. 155; *Price v. United States*, [269 U.S. 492](#), 46 S.Ct. 180; *Dollar Savings Bank v. United States*, 19 Wall. 227; and see *Stockwell v. United States*, 13 Wall. 531, 542; *Meredith v. United States*, 13 Pet. 486, 493. **This was the rule established in the English courts before the Declaration of Independence.** *Attorney General v. Weeks*, Bunbury's Exch. Rep. 223; *Attorney General v. Jewers and Batty*, Bunbury's Exch. Rep. 225; *Attorney General v. Hatton*, Bunbury's Exch. Rep. [296 U.S. 268, 272] 262; *Attorney General v. —*, 2 Ans.Rep. 558; see *Comyn's Digest* (Title 'Dett,' A, 9); 1 *Chitty on Pleading*, 123; cf. *Attorney General v. Sewell*, 4 M.&W. 77. “
*[Milwaukee v. White, [296 U.S. 268](#) (1935)]**

Therefore, we allege that the term “United States”, in most cases when it is used, and especially in the context of the term “sources within the United States” as used in [26 U.S.C. §861](#), really means payments made by “U.S. Inc.” or accepted by its contractors and agents, including those engaged in a “trade or business”. This is also confirmed by [26 U.S.C. §864\(c\)\(3\)](#), which states that all income from within the “United States” is effectively connected with an excise taxable activity called a “trade or business”:

[TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > § 864](#)
[§ 864. Definitions and special rules](#)

(c) Effectively connected income, etc.

(3) Other income from sources within United States

All income, gain, or loss from sources within the United States (other than income, gain, or loss to which paragraph (2) applies) shall be treated as effectively connected with the conduct of a trade or business within the United States.

The term “United States” they are referring to above can ONLY mean “U.S. Inc.” and not the “geographical sense”, because it is illegal to otherwise turn human labor into an excise taxable “privilege” without at least the express consent of the worker. Here is some proof from the U.S. Supreme Court:

“Every man has a natural right to the fruits of his own labor, is generally admitted; and no other person can rightfully deprive him of those fruits, and appropriate them against his will...”
[The Antelope, 23 U.S. 66, 10 Wheat 66, 6 L.Ed. 268 (1825)]

An easy way to challenge anyone wants to argue the points we make above is to simply ask the following question:

How can I know WHICH of the two senses the “United States” is used in [26 U.S.C. §864](#), the geographical sense or the corporate sense, because the statute itself doesn’t do this and [26 U.S.C. §7701\(a\)\(9\)](#) and [\(a\)\(10\)](#) doesn’t say that there are no other senses in which the term “United States” is used other than the geographical sense? Therefore, there must be other possibilities, and in fact, the I.R.C. itself recognizes at least three definitions of “United States” in sections 7701, 4612, and 3121.

If you want to know more about the term “trade or business”, which is the REAL thing being taxed under the Internal Revenue Code, then please refer to the following free and informative article:

The “Trade or Business” Scam, Form #05.001
<http://sedm.org/Forms/FormIndex.htm>

Relevant Case Law:

In re Becraft, 885 F.2d. 547, 549-50 (9th Cir. 1989) – the court, observing that Becraft’s claim that federal laws apply only to United States territories and the District of Columbia “has no semblance of merit,” and noting that this attorney had previously litigated cases in the federal appeals courts that had “no reasonable possibility of success,” imposed monetary damages and expressed the hope “that this assessment will deter Becraft from asking this and other federal courts to expend more time and resources on patently frivolous legal positions.”

United States v. Ward, 833 F.2d. 1538, 1539 (11 th Cir. 1987), cert. denied, 485 U.S. 1022 (1988) – the court rejected as a “twisted conclusion” the contention “that the United States has jurisdiction over only Washington, D.C., the federal enclaves within the states, and the territories and possessions of the United States,” and affirmed a tax evasion conviction.

Barcroft v. Commissioner, T.C. Memo. 1997-5, 73 T.C.M. (CCH) 1666, 1667, appeal dismissed, 134 F.3d. 369 (5th Cir. 1997) – noting that Barcroft’s statements “contain protester-type contentions that have been rejected by the courts as groundless,” the court sustained penalties for failure to file returns and failure to pay estimated income taxes.

3. Contention: Taxpayer is not a “person” as defined by the Internal Revenue Code, thus is not subject to the federal income tax laws.

Some maintain that they are not a “person” as defined by the Internal Revenue Code, and thus not subject to the federal income tax laws. This argument is based on a tortured misreading of the Code.

The Law: The Internal Revenue Code clearly defines “person” and sets forth which persons are subject to federal taxes. Section 7701(a)(14) defines “taxpayer” as any person subject to any internal revenue tax and section 7701(a)(1) defines “person” to include an individual, trust, estate, partnership, or corporation. Arguments that an individual is not a “person” within the meaning of the

Internal Revenue Code have been uniformly rejected. A similar argument with respect to the term “individual” has also been rejected.

We devote an entire document to this false claim by the IRS. You can read it below;

Policy Document: IRS Fraud and Deception About the Word “Person”, Form #08.023
<https://sedm.org/Forms/FormIndex.htm>

We will summarize the approach in the above document below:

This is a very deceptive answer. First of all, a “taxpayer” is one who is liable for paying tax or has made himself liable by “volunteering” and assessing him/herself. Did you notice they didn’t use the term “American” rather than “taxpayer”? Would the answer be the same if the question was “Individual is not a ‘person’ as defined by the Internal Revenue Code, thus is not subject to the Subtitle A personal income (indirect excise) taxes as a nonprivileged individual?” The answer is a resounding NO.

Why did the IRS cite U.S. v. Collins in their defense? Because as we said before, this case is a very bad case that conflicts with all previous Supreme Court rulings but favors the IRS. Because the Supreme Court in this case was too busy to take this appeal and denied the writ of certiorari, the IRS takes the circuit court ruling as precedent even though their own regulations and I.R.M. state that the only thing that is binding on more than one taxpayer are the rulings of the Supreme Court:

"Decisions made at various levels of the court system... may be used by either examiners or taxpayers to support a position... A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence over decisions of lower courts... Decisions made by lower courts, such as Tax Court, District Courts, or Claims Court, are binding on the Service only for the particular taxpayer and the years litigated. Adverse decisions of lower courts do not require the Service to alter its position for other taxpayers."
[Internal Revenue Manual (I.R.M.), Section 4.10.7.2.9.8 (05/14/99)]

The Supreme Court has never agreed with the findings of the Collins case that Subtitle A income taxes are direct taxes authorized by the constitution, but the IRS seems more than willing to use a circuit court case to overrule the Supreme Court Case because it suits their selfish and conspiratorial agenda.

Also, did you notice that they said “is not subject to the federal income tax laws” rather than “is not liable under for Subtitles A or B of the Internal Revenue Code”? A person can be subject to a law without being liable for anything. More government double-speak. The IRS likes to twist and distract things to keep people arguing about the wrong things.

In conclusion then, knowing the way they have twisted the language teaches us that this question answers itself and deceives the reader, who is NOT a taxpayer in any sense of the word as a “non-resident non-person” domiciled in the 50 states on nonfederal land. What they essentially asked was: “Is the blue sky blue?”, “Is a taxpayer liable for tax?”. Remember that this is a war of words and to be very careful with our choice of words and how we think about things..

Relevant Case Law:

United States v. Karlin, 785 F.2d. 90, 91 (3d Cir. 1986), cert. denied, 480 U.S. 907 (1987) – the court affirmed Karlin’s conviction for failure to file income tax returns and rejected his contention that he was “not a ‘person’ within meaning of 26 U.S.C. § 7203” as “frivolous and requir[ing] no discussion.”

United States v. Rhodes, 921 F.Supp. 261, 264 (M.D. Pa. 1996) – the court stated that “[a]n individual is a person under the Internal Revenue Code.”

Biermann v. Commissioner, 769 F.2d. 707, 708 (11 th Cir.), reh’g denied, 775 F.2d. 304 (11 th Cir. 1985) – the court said the claim that he was not “a person liable for taxes” was “patently frivolous” and, given the Tax Court’s warning to Biermann that his positions would never be sustained in any court, awarded the government double costs, plus attorney’s fees.

Smith v. Commissioner, T.C. Memo. 2000-290, 80 T.C.M. (CCH) 377, 378-89 (2000) – the court described the argument that Smith “is not a ‘person liable’ for tax” as frivolous, sustained failure to file penalties, and imposed a penalty for maintaining “frivolous and groundless positions.”

United States v. Studley, 783 F.2d. 934, 937 n.3 (9th Cir. 1986) – the court affirmed a failure to file conviction, rejecting the taxpayer’s contention that she was not subject to federal tax laws because she was “an absolute, freeborn, and natural individual” and went on to note that “this argument has been consistently and thoroughly rejected by every branch of the government for decades.”

4. Contention: The only “employees” subject to federal income tax are employees of the federal government.

Some argue that the federal government can tax only employees of the federal government; therefore, employees in the private sector are immune from federal income tax liability. This argument is based on an apparent misinterpretation of section 3401, which imposes responsibilities to withhold tax from “wages.” That section establishes the general rule that “wages” include all remuneration for services performed by an employee for his employer. Section 3401(c) goes on to state that the term “employee” includes “an officer, employee, or elected official of the United States, a State, or any political subdivision thereof ...”

The Law: Section 3401(c) defines “employee” and states that the term “includes an officer, employee or elected official of the United States ...” This language does not address how other employees’ wages are subject to withholding or taxation. Section 7701(c) states that the use of the word “includes” “shall not be deemed to exclude other things otherwise within the meaning of the term defined.” Thus, the word “includes” as used in the definition of “employee” is a term of enlargement, not of limitation. It clearly makes federal employees and officials a part of the definition of “employee,” which generally includes private citizens.

If the word “includes” is meant as a term of enlargement, then why does it say in 26 U.S.C. §61:

(a) GENERAL DEFINITION. - Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items...” [Emphasis added]

If “includes” is meant as a term of enlargement, then why would this phrase even be necessary? And how do you reconcile using the term “includes” as a term of enlargement in light of the government’s own definition of that word?:

Treasury Decision 3980, Vol. 29, January-December, 1927, pgs. 64 and 65 defines the words “includes” and “including” as:

“(1) To comprise, comprehend, or embrace...(2) To enclose within; contain; confine...But granting that the word ‘including’ is a term of enlargement, it is clear that it only performs that office by introducing the specific elements constituting the enlargement. It thus, and thus only, enlarges the otherwise more limited, preceding general language...The word ‘including’ is obviously used in the sense of its synonyms, comprising; comprehending; embracing.”

Black’s Law Dictionary also describes the word includes as a word of limitation and not enlargement:

“Include. (Lat. Inclaudere, to shut in. keep within.) To confine within, hold as an inclosure. Take in, attain, shut up, contain, inclose, comprise, comprehend, embrace, involve. Term may, according to context, express an enlargement and have the meaning of and or in addition to, or merely specify a particular thing already included within general words theretofore used. “Including” within statute is interpreted as a word of enlargement or of illustrative application as well as a word of limitation. Premier Products Co. v. Cameron, 240 Or. 123, 400 P.2d 227, 228.”
[Black’s Law Dictionary, Sixth Edition, p. 763]

The American College Dictionary:

“include, v.f.;-cluded, -cluding. 1. to contain, embrace, or comprise, as a whole does parts or any part or element.”

“included, adj. 1. enclosed; embraced; comprised. 2. But. not projecting beyond the mouth of the corolla, as stamens or a style.”

Note that here, even the Botanical meaning is a confining use! Now, Roget's Thesaurus:

"include, v.f. comprise, comprehend, contain, admit, embrace, receive; enclose, circumscribe, compose, incorporate, encompass; recon or number among, count in; refer to, place under, take into account."

So, when you see "including" or "includes," whether in normal usage or in the Internal Revenue Code, understand that it is limited to the items listed and spelled out in the statute and nothing more. This must be so because the expansive use of the word "includes" and "including" violates our Fifth Amendment due process protections as shown below in the U.S. Supreme Court case of *Connally v. General Construction Co.*, 269 U.S. 385 (1926):

"A statute which either forbids or requires the doing of an act in terms so vague that men and women of common intelligence must necessarily guess at its meaning and differ as to its application, violates the first essential of due process of law."

If the act doesn't specifically identify what is forbidden or "included" and we have to rely not on the statute, but some judge or lawyer or politician or a guess to describe what is "included", then our due process has been violated and our government has thereby instantly been transformed from a government of laws to a government of men.

The concept of "due process of law" as it is embodied in Fifth Amendment demands that a law shall not be unreasonable, arbitrary, or capricious and that the means selected shall have a reasonable and substantial relation to the object being sought.

[Black's Law Dictionary, Sixth Edition, p. 500, under the definition of "due process of law"]

If the word "includes" is used in its expansive sense, we have, in effect, subjected ourselves to the arbitrary whims of however the currently elected politician or judge wants to describe what is "included". That leads to massive chaos, injustice, and unconstitutional behavior by our courts and our elected representatives. It also promotes unnecessary litigation over the meaning of the tax codes (not "laws", but "codes"), to the benefit of lawyers, lawmakers, and the American Bar Association, which is a clear conflict of interest.

Why did the Congress define "include" the way they did? Because that way they can define and interpret the Internal Revenue Code however they want! They needed to leave wiggle room for the IRS and the Treasury in the writing of the interpreting regulations. In particular, the interpreting regulations in 26 C.F.R. have a much broader definition of "employer" and "employee" that is not consistent with I.R.C. Sections 7701 and 3401, so they had to leave room for the IRS to defend their interpretation of the code by saying:

"The code does not define or limit everything that is taxable because the word 'include' is not restrictive, and so we can write our regulations however we want to and disregard the codes entirely."

And other courts describe "includes" as a word of limitation as well:

"Includes is a word of limitation. Where a general term in Statute is followed by the word, 'including' the primary import of the specific words following the quoted words is to indicate restriction rather than enlargement."

[Powers ex re. Covon v. Charron R.I., 135 A. 2nd 829, 832 Definitions-Words and Phrases pages 156-156, Words and Phrases under 'limitations'."]

So the question then becomes, can the Internal Revenue Code possibly define or describe ANYTHING if includes is used as the IRS says it is used?

"definition: A description of a thing by its properties; an explanation of the meaning of a word or term. The process of stating the exact meaning of a word by means of other words. Such a description of the thing defined, including all essential elements and excluding all nonessential, as to distinguish it from all other things and classes."

[Black's Law Dictionary, Sixth Edition, page 423]

If "includes" as used in the I.R.C. is used expansively, then every definition that uses it is a NON-definition according to the above! The answer therefore is that the I.R.C. defines NOTHING if the word "includes" is used expansively. Instead, the code means whatever the judge says it means, and by using "includes" expansively, we have transformed our country from being a government of laws to a government of men. Laws, however, are intended to be written clearly in such a way that the common man can know with a certainty whether he is violating the law. There is no way this requirement can be met with the I.R.C. if "includes" is used expansively. It is because of this very problem that the Supreme Court came up with something called the "void for vagueness doctrine", in which if a law doesn't clearly state what is expected, then the courts are obligated to rule in favor of the taxpayer:

The essential purpose of the "void for vagueness doctrine" with respect to interpretation of a criminal statute, is to warn individuals of the criminal consequences of their conduct. ... Criminal statutes which fail to give due notice that an act has been made criminal before it is done are unconstitutional deprivations of due process of law.
[U.S. v. De Cadena, 105 F.Supp. 202, 204 (1952), emphasis added]

The U.S. Supreme Court has also said, based on the rules of statutory construction, that we may not extend the meaning of a term beyond that specifically defined or enclosed within its definition:

"In the interpretation of statutes levying taxes, it is the established rule not to extend their provisions by implication beyond the clear import of the language used, or to enlarge their operations so as to embrace matters not specifically pointed out. In case of doubt they are construed most strongly against the government and in favor of the citizen."
[Gould v. Gould, 245 U.S. 151, at 153]

Consequently, we have to disagree with the IRS' convoluted definition of the term "includes", and instead characterize it as a naked power grab to extend federal jurisdiction into the sovereign 50 states and violate Article 1, Section 2, Clause 3 and Article 1, Section 9, Clause 4 of the Constitution. This routine abuse of Constitutional Law by the IRS amounts to "extortion under the color of law", as we clearly explain in our book the Great IRS Hoax.

Relevant Case Law:

United States v. Latham, 754 F.2d. 747, 750 (7th Cir. 1985) – calling the instructions Latham wanted given to the jury "inane," the court said, "[the] instruction which indicated that under 26 U.S.C. §3401(c) the category of 'employee' does not include privately employed wage earners is a preposterous reading of the statute. It is obvious within the context of [the law] the word 'includes' is a term of enlargement not of limitation, and the reference to certain entities or categories is not intended to exclude all others. "

Sullivan v. United States, 788 F.2d. 813, 815 (1 st Cir. 1986) – the court rejected Sullivan's attempt to recover a civil penalty for filing a frivolous return, stating "to the extent [he] argues that he received no 'wages' ... because he was not an 'employee' within the meaning of 26 U.S.C. §3401(c), that contention is meritless. ... The statute does not purport to limit withholding to the persons listed therein." The court imposed sanctions on Sullivan for bringing a frivolous appeal.

Peth v. Breitzmann, 611 F.Supp. 50, 53 (E.D. Wis. 1985) – the court rejected the taxpayer's argument "that he is not an 'employee' under I.R.C. §3401(c) because he is not a federal officer, employee, elected official, or corporate officer," stating, "[he] mistakenly assumes that this definition of 'employee' excludes all other wage earners."

Pabon v. Commissioner, T.C. Memo. 1994-476, 68 T.C.M. (CCH) 813, 816 (1994) – the court characterized Pabon's position – including that she was not subject to tax because she was not an employee of the federal or state governments – as "nothing but tax protester rhetoric and legalistic gibberish." The court imposed a penalty of \$2,500 on Pabon for bringing a frivolous case, stating that she "regards this case as a vehicle to protest the tax laws of this country and espouse her own misguided views."

D. Constitutional Amendment Claims

1. Contention: Taxpayers can refuse to pay income taxes on religious or moral grounds by invoking the First Amendment

Some argue that taxpayers may refuse to pay federal income taxes based on their religious or moral beliefs, or objection to the use of taxes to fund certain government programs. These persons mistakenly invoke the First Amendment in support of this frivolous position.

The Law: The First Amendment to the United States Constitution provides, in part, that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . . " The First Amendment, however, does not provide a right to refuse to pay income taxes on religious or moral grounds, or because taxes are used to fund government programs opposed by the taxpayer.

The only people who are “taxpayers” are those domiciled on federal territory within the “United States” [District of Columbia] and who are lawfully engaged in a public office within the U.S. government. It is a criminal violation of 18 U.S.C. §912 to become a “taxpayer” any other way, including by signing IRS Form W-4. The Supreme Court ruled in *Downes v. Bidwell*, [182 U.S. 244](#) (1901) that District of Columbia, or the “federal zone” more properly, is not protected by the Bill of Rights or the Constitution, and therefore people domiciled there cannot lawfully claim anything within the Bill of Rights, including the First Amendment, as a basis for refusing to pay a lawful tax. Domiciliaries of the “federal zone” ARE NOT parties to the Constitution of the United States and instead are simply “subject citizens” with no rights other than what Congress through legislation gives them. Likewise, “taxpayers” cannot cite their religious beliefs as a basis for basically dishonoring their private contracts under the terms of the I.R.C. Subtitle A franchise agreement.

26 C.F.R. §31.3402(p)-1 identifies the W-4 as an “agreement”. The IRS abuses this form to fraudulently create public offices and “taxpayers” not otherwise subject to their jurisdiction where they are prohibited from serving pursuant to 4 U.S.C. §72. The form doesn’t admit that it is a contract because the IRS deceitfully doesn’t want you knowing that you are signing a contract. The terms of this agreement or contract are that:

1. All earnings in the context of the W-4 submitted are includible in “gross income”. See 26 C.F.R. §31.3402(p)-1.
2. The person signing the form consents to be treated as an “employee” under 26 C.F.R. §31.3401(c)-1, who is an elected or appointed officer of the federal corporation called the “United States” government. The upper left corner of the form says “Employee Withholding Allowance Certificate” and the “employee” is the submitter.
3. Their earnings are “effectively connected with a trade or business United States”, which means that the party receiving them is acting as a “withholding agent” over their own earnings who is “liable” under [26 U.S.C. §1461](#).
4. They consent and agree to be treated as a virtual resident of the District of Columbia under [26 U.S.C. §7701](#)(a)(39) who is “completely subject” to federal jurisdiction, even though neither they nor any of their property would otherwise be so subject.

Income taxes are a civil liability that attaches to your choice of domicile. You must have a domicile or residence on federal territory in order to be subject to I.R.C. Subtitle A income taxes.

“Thus, the Court has frequently held that domicile or residence, more substantial than mere presence in transit or sojourn, is an adequate basis for taxation, including income, property, and death taxes. Since the Fourteenth Amendment makes one a citizen of the state wherein he resides, the fact of residence creates universally reciprocal duties of protection by the state and of allegiance and support by the citizen. The latter obviously includes a duty to pay taxes, and their nature and measure is largely a political matter. Of course, the situs of property may tax it regardless of the citizenship, domicile, or residence of the owner, the most obvious illustration being a tax on realty laid by the state in which the realty is located.”
[Miller Brothers Co. v. Maryland, [347 U.S. 340](#) (1954)]

Therefore, those “nontaxpayers” who do not wish to be treated as “taxpayers” should not be signing forms that are only available to those domiciled on federal territory. Those domiciled outside of federal territory and inside a state of the Union cannot lawfully or contractually engage in government franchises such as IRS Form W-4 because their rights are “unalienable”, which means they can’t be bargained away through any commercial process, including a franchise agreement or W-4 contract.

“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.--That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, -“
[Declaration of Independence]

“Unalienable. Inalienable; incapable of being aliened, that is, sold and transferred.”
[Black’s Law Dictionary, Fourth Edition, p. 1693]

The first step in plundering innocent Americans is deliberately confusing them into believing that they are domiciled on federal territory and therefore are statutory rather than constitutional “U.S. citizens”. This results in a waiver of sovereign immunity pursuant to 28 U.S.C. §1603(b)(3) and a complete destruction of all your rights by placing you geographically in a place not protected by the Constitution. This FRAUD is documented in

[Flawed Tax Arguments to Avoid](#), Form #08.004, Section 8.1
<http://sedm.org/Forms/FormIndex.htm>

Relevant Case Law:

United States v. Lee, 455 U.S. 252, 260 (1982) - the U.S. Supreme Court held that the broad public interest in maintaining a sound tax system is of such importance that religious beliefs in conflict with the payment of taxes provide no basis for refusing to pay, and stated that “[t]he tax system could not function if denominations were allowed to challenge the tax system because tax payments were spent in a manner that violates their religious belief.”

United States v. Ramsey, 992 F.2d. 831, 833 (8th Cir. 1993) - the court rejected Ramsey’s argument that filing federal income tax returns and paying federal income taxes violates his pacifist religious beliefs and stated that Ramsey “has no First Amendment right to avoid federal income taxes on religious grounds.”

Wall v. United States, 756 F.2d. 52 (8th Cir. 1985) - the court upheld the imposition of a \$500 frivolous return penalty against Wall for taking a war tax deduction on his federal income tax return based on his religious convictions and stated the “necessities of revenue collection through a sound tax system raise governmental interests sufficiently compelling to outweigh the free exercise rights of those who find the tax objectionable on bona fide religious grounds.”

United States v. Peister, 631 F.2d. 658 (10th Cir. 1980) – the court rejected Peister’s argument that he was exempt from income tax based on his vow of poverty after he became the minister of a church he formed; his First Amendment right to freedom of religion was not violated.

2. Contention: IRS summonses violate the Fourth Amendment protections against search and seizure

Some individuals or groups assert that summonses sent by the IRS to taxpayers and to third parties are per se violations of the Fourth Amendment’s prohibition against warrantless search and seizure and are therefore unconstitutional.

The Law: The Fourth Amendment to the United States Constitution provides the “right of the people to be secure in their persons, houses, papers, and effects” and prohibits “unreasonable searches and seizures. . . .” The United States Supreme Court has held repeatedly that “the Fourth Amendment does not prohibit the obtaining of information revealed to a third party.” *United States v. Miller*, 425 U.S. 435 (1976). The Fourth Amendment also provides that “no Warrants shall issue” unless there is “probable cause.” The United States Supreme Court has ruled that the IRS “need not meet any standard of probable cause to obtain enforcement of [IRS] summons.” *United States v. Powell*, 379 U.S. 48, 52 (1964). Where the enforcement of an IRS summons is challenged, the IRS bears the initial burden of showing “good faith compliance with summons requirements,” which may “be demonstrated by the affidavit of the IRS agent.” *United States v. Norwood*, 420 F.3d. 888 (8th Cir. 2005).

There can be no conflict between the Constitution and the Internal Revenue Code. They are mutually exclusive because the I.R.C. only applies where the Constitution does NOT apply, which means either on federal territory, abroad, or within the U.S. Inc federal corporation among elected or appointed public officers. Applying it to a private person not engaged in an elected or appointed public office results in criminal identity theft, as documented in the following:

[Government Identity Theft](https://sedm.org/Forms/05-MemLaw/GovernmentIdentityTheft.pdf), Form #05.046
<https://sedm.org/Forms/05-MemLaw/GovernmentIdentityTheft.pdf>

Even citing case law from a territorial federal court against those not physically present on or doing business within federal territory itself is ALSO an act of criminal identity theft, as the “Relevant Case Law” below does.

Relevant Case Law:

United States v. Miller, 425 U.S. 435, 443–44 (1976) – the Supreme Court reiterated that the “Fourth Amendment does not prohibit the obtaining of information revealed to a third party.”

United States v. Powell, 379 U.S. 48, 52 (1964) – the Supreme Court held that “the Government need make no showing of probable cause to suspect fraud unless the taxpayer raises a substantial

question that judicial enforcement of the administrative summons would be an abusive use of the court's process.”

Taliaferro v. Freeman, 595 F.App'x 961, 962-63 (11th Cir. 2014) – the 11th Circuit held that the taxpayer's contention that IRS levies violate the Fourth Amendment right to be free from unreasonable seizures was “simply without merit” and did not even warrant discussion and ordered sanctions against the taxpayer up to and including double the government's costs.

O'Brien v. Green, 114 A.F.T.R.2d. (RIA) 2014-5613 (E.D. Va. 2014) – the court rejected O'Brien's Fourth Amendment arguments and characterized them as frivolous.

Nevius v. Tomlinson, 113 A.F.T.R.2d. (RIA) 2014-1872 (W.D. Miss. 2014) – Nevius argued that IRS summons issued without probable cause of warrant violated the Fourth Amendment. The court rejected this argument, stating “IRS need not meet any standard of probable cause to obtain enforcement of [a] summons.”

Lewis v. United States, 109 A.F.T.R.2d. (RIA) 2012-1756 (E.D. Ca. 2012) – the court rejected Lewis's argument that summonses sent to third parties violated the Fourth Amendment, holding that “summonses issued by the IRS seeking documents in the possession of third-parties do not implicate petitioner's rights under the Fourth Amendment.”

United States v. Lund, 108 A.F.T.R.2d. (RIA) 2011-7513 (D. Or. 2011) – Lund argued that IRS summons violated the Fourth Amendment. The Court rejected this argument, stating that a summons “is not a per se violation of the Fourth Amendment.”

3. Contention: Federal income taxes constitute a “taking” of property without due process of law, violating the Fifth Amendment.

Some assert that the collection of federal income taxes constitutes a “taking” of property without due process of law, in violation of the Fifth Amendment. Thus, any attempt by the Internal Revenue Service to collect federal income taxes owed by a taxpayer is unconstitutional.

The Law: The Fifth Amendment to the United States Constitution provides that a person shall not be “deprived of life, liberty, or property, without due process of law ...” The U.S. Supreme Court stated in *Brushaber v. Union Pacific R.R.*, 240 U.S. 1, 24 (1916), that “it is ... well settled that [the Fifth Amendment] is not a limitation upon the taxing power conferred upon Congress by the Constitution; in other words, that the Constitution does not conflict with itself by conferring upon the one hand a taxing power, and taking the same power away on the other by limitations of the due process clause.” Further, the Supreme Court has upheld the constitutionality of the summary administrative procedures contained in the Internal Revenue Code against due process challenges, on the basis that a post-collection remedy (e.g., a tax refund suit) exists and is sufficient to satisfy the requirements of constitutional due process. *Phillips v. Commissioner*, 283 U.S. 589, 595-97 (1931).

The Internal Revenue Code provides methods to ensure due process to taxpayers: (1) the “refund method,” set forth in section 7422(e) and 28 U.S.C. §§ 1341 and 1346(a), where a taxpayer must pay the full amount of the tax and then sue in a federal district court or in the United States Court of Federal Claims for a refund; and (2) the “deficiency method,” set forth in section 6213(a), where a taxpayer may, without paying the contested tax, petition the United States Tax Court to redetermine a tax deficiency asserted by the IRS. Courts have found that both methods provide constitutional due process.

In recent years, Congress passed new laws providing further protection for taxpayers' due process rights in collection matters. In the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. 105-206, § 3401, 112 Stat. 685, 746, Congress enacted new sections 6320 (pertaining to liens) and 6330 (pertaining to levies) establishing collection due process rights for taxpayers, effective for collection actions after January 19, 1999. Generally, the IRS must provide taxpayers notice and an opportunity for an administrative appeals hearing upon the filing of a notice of federal tax lien (section 6320) and prior to levy (section 6330). Taxpayers also have the right to seek judicial

review of the IRS's determination in these due process proceedings. I.R.C. §6330(d). However, the Tax Court has indicated that it will impose sanctions pursuant to section 6673 against taxpayers who seek judicial relief based upon frivolous or groundless positions.

Relevant Case Law:

Flora v. United States, 362 U.S. 145, 175 (1960) – the court affirmed its earlier decision that a taxpayer must pay the full tax assessment before being able to file a refund suit in district court, noting that a person has the right to appeal an assessment to the Tax Court “without paying a cent.”

Schiff v. United States, 919 F.2d. 830 (2 nd Cir. 1990) – the court rejected a due process claim where the taxpayer chose not to avail himself of the opportunity to appeal a deficiency notice to the Tax Court.

Goza v. Commissioner, 114 T.C. 176 (2000) – the court rejected the taxpayer's attempt to use the judicial review process as a forum to contest the underlying tax liability, since the taxpayer had an opportunity to dispute that liability after receiving the statutory notice of deficiency.

Pierson v. Commissioner, 115 T.C. 576, 581 (2000) – the court considered imposing sanctions against the taxpayer, but decided against doing so, stating, “we regard this case as fair warning to those taxpayers who, in the future, institute or maintain a lien or levy action primarily for delay or whose position in such a proceeding is frivolous or groundless.”

Davis v. Commissioner, T.C. Memo. 2001-87, 81 T.C.M. (CCH) 1503 (2001) – the court imposed a \$4,000 penalty for frivolous and groundless arguments, after warning that the taxpayer could be penalized for presenting them.

4. Contention: Taxpayers do not have to file returns or provide financial information because of the protection against self-incrimination found in the Fifth Amendment.

Some argue that taxpayers may refuse to file federal income tax returns, or may submit tax returns on which they refuse to provide any financial information, because they believe that their Fifth Amendment privilege against self-incrimination will be violated.

The Law: There is no constitutional right to refuse to file an income tax return on the ground that it violates the Fifth Amendment privilege against self-incrimination. In *United States v. Sullivan*, 274 U.S. 259, 264 (1927), the U.S. Supreme Court stated that the taxpayer “could not draw a conjurer's circle around the whole matter by his own declaration that to write any word upon the government blank would bring him into danger of the law.” The failure to comply with the filing and reporting requirements of the federal tax laws will not be excused based upon blanket assertions of the constitutional privilege against compelled self-incrimination under the Fifth Amendment.

Once again, the government speaketh with forked tongue. The Fifth Amendment doesn't say you have a right not to submit a tax return, but it does imply that we have a right not to put ANYTHING on it that would incriminate us, either civilly or criminally. That means we are perfectly within our rights to file a blank return and can't be penalized for it, under the Fifth Amendment, and we pointed out earlier in the case of *U.S. v. Troesch*, CV 93-5736 (an unpublished case), the 9th Circuit Court of Appeals that:

"[t]he self-incrimination clause of the Fifth Amendment applies in all instances where a taxpayer has reasonable cause to apprehend criminal prosecution, whether tax related or not." We agree. There is no general "Tax-Crime Exception" to the Fifth Amendment, and Troesch's Fifth Amendment claims were not defeated here simply because he feared prosecution for tax crimes.

Relevant Case Law:

United States v. Schiff, 612 F.2d. 73, 83 (2d Cir. 1979) – the court said that “the Fifth Amendment privilege does not immunize all witnesses from testifying. Only those who assert as to each particular

question that the answer to that question would tend to incriminate them are protected. ... [T]he questions in the income tax return are neutral on their face ... [h]ence privilege may not be claimed against all disclosure on an income tax return.”

United States v. Brown, 600 F.2d. 248, 252 (10 th Cir. 1979) – noting that the Supreme Court had established “that the self-incrimination privilege can be employed to protect the taxpayer from revealing the information as to an illegal source of income, but does not protect him from disclosing the amount of his income,” the court said Brown made “an illegal effort to stretch the Fifth Amendment to include a taxpayer who wishes to avoid filing a return.”

United States v. Neff, 615 F.2d. 1235, 1241 (9th Cir.), cert. denied, 447 U.S. 925 (1980) – the court affirmed a failure to file conviction, noting that the taxpayer “did not show that his response to the tax form questions would have been self-incriminating. He cannot, therefore, prevail on his Fifth Amendment claim.”

United States v. Daly, 481 F.2d. 28, 30 (8th Cir.), cert. denied, 414 U.S. 1064 (1973) – the court affirmed a failure to file conviction, rejecting the taxpayer’s Fifth Amendment claim because of his “error in ... his blanket refusal to answer any questions on the returns relating to his income or expenses.”

Sochia v. Commissioner, 23 F.3d. 941 (5th Cir. 1994), cert. denied, 513 U.S. 1153 (1995) – the court affirmed tax assessments and penalties for failure to file returns, failure to pay taxes, and filing a frivolous return. The court also imposed sanctions for pursuing a frivolous case. The taxpayers had failed to provide any information on their tax return about income and expenses, instead claiming a Fifth Amendment privilege on each line calling for financial information.

5. Contention: Compelled compliance with the federal income tax laws is a form of servitude in violation of the Thirteenth Amendment.

This argument asserts that the compelled compliance with federal tax laws is a form of servitude in violation of the Thirteenth Amendment.

The Law: The Thirteenth Amendment to the United States Constitution prohibits slavery within the United States, as well as the imposition of involuntary servitude, except as punishment for a crime of which a person shall have been duly convicted. In Porth v. Brodrick, 214 F.2d. 925, 926 (10 th Cir. 1954), the Court of Appeals stated that “if the requirements of the tax laws were to be classed as servitude, they would not be the kind of involuntary servitude referred to in the Thirteenth Amendment.” Courts have consistently found arguments that taxation constitutes a form of involuntary servitude to be frivolous.

The above comments violate the U.S. Supreme Court’s own definition of slavery in the case of Yick Wo v. Hopkins, [118 U.S. 356](#) (1886):

“For the very idea that one man may be compelled to hold his life, or the means of living, or any material right essential to the enjoyment of life, at the mere will of another, seems to be intolerable in any country where freedom prevails, as being the essence of slavery itself.”

Did you also notice they DIDN’T SAY that Subtitle A income taxes weren’t involuntary servitude or slavery? They simply said that they weren’t the kind of slavery referenced in the Thirteenth Amendment. But guess what, Title 18 of the U.S. Code prohibits slavery to pay off debts too:

18 U.S.C. Sec. 1581. Peonage; obstructing enforcement

(a) Whoever holds or returns any person to a condition of peonage, or arrests any person with the intent of placing him in or returning him to a condition of peonage, shall be fined under this title or imprisoned not more than 10 years, or both.

(b) Whoever obstructs, or attempts to obstruct, or in any way interferes with or prevents the enforcement of this section, shall be liable to the penalties prescribed in subsection (a).

And peonage is defined as follows:

peonage 1 a: the use of laborers bound in servitude because of debt b: a system of convict labor by which convicts are leased to contractors 2: the condition of a peon.

peon 3 a: a person held in compulsory servitude to a master for the working out of an indebtedness b: DRUDGE, MENIAL

You will note that the Federal Reserve Act and the Income Tax were passed at exactly the same time. Our country was in debt to the Federal Reserve to the tune of more than 6.6 Trillion dollars as of July 2, 2003 (see <http://www.publicdebt.treas.gov/opd/opdpenny.htm>). This debt is paid off by peonage maintained by the illegal enforcement of the Internal Revenue Code. Isn't "peonage" against the Thirteenth Amendment and Title 18 of the U.S. Code, but that's what the U.S. Congress legalized when it nearly simultaneously passed the Federal Reserve Act and the Income Tax in 1913. The two are linked together because if you are going to run up a big public debt, then "peons" are needed to pay it off!

We agree that not all forms of taxation amount to slavery or peonage, but only taxes based on labor where the subject did not individually consent, or those NOT based on privilege or excise taxes. Excise taxes are voluntary in a sense, because if you don't want to pay taxes on the exercise of a government granted privilege, then you have a choice not to exercise the privilege. Sales taxes are voluntary because if you don't want to pay the tax, then don't buy the item that is taxed. Income taxes on labor, on the other hand, are quite a different matter entirely.

The Constitution grants us a right to life, liberty, and the pursuit of happiness. Would anyone be happy or have any liberty at all if income taxes were 100%? We would all be complete (financial) slaves for such a case. Well then, if we pay 50% of our income, then aren't we "peon" slaves working off a public debt we didn't even approve of (over 85% of Americans want a balanced budget amendment but Congress has repeatedly thwarted the will of the people by not passing one) Is that liberty or the pursuit of happiness, or is it slavery by a nicer name called peonage? The Supreme Court has ruled that labor is our property because our body is our own property:

"Among these unalienable rights, as proclaimed in the Declaration of Independence is the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY WHICH EVERY MAN HAS IS HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVIOABLE..."
[Butcher's Union Co. v. Crescent City Co., 111 U.S. 746 (1884)]

So if labor is property, and when we get money (one type of property) in exchange for labor (another type of property), then why isn't that exchange treated as a nonprofit EQUAL exchange? To do otherwise would be to treat your body, in effect, as government property that doesn't belong to you, and to pay taxes on income derived from the "privilege" of borrowing your labor from the government long enough to earn money from it! Is that liberty and is this really a free country under such circumstances?

Relevant Case Law:

Porth v. Brodrick, 214 F.2d. 925, 926 (10 th Cir. 1954) – the court described the taxpayer's Thirteenth and Sixteenth Amendment claims as "clearly unsubstantial and without merit," as well as "far-fetched and frivolous."

United States v. Drefke, 707 F.2d. 978, 983 (8th Cir. 1983) – the court affirmed Drefke's failure to file conviction, rejecting his claim that the Thirteenth Amendment prohibited his imprisonment because that amendment "is inapplicable where involuntary servitude is imposed as punishment for a crime."

Ginter v. Southern, 611 F.2d. 1226 (8th Cir. 1979) – the court rejected the taxpayer's claim that the Internal Revenue Code results in involuntary servitude in violation of the Thirteenth Amendment.

Kasey v. Commissioner, 457 F.2d. 369 (9th Cir. 1972) – the court rejected as without merit the argument that the requirements to keep records and to prepare and file tax returns violated the Kaseys' Fifth Amendment privilege against self-incrimination and amount to involuntary servitude prohibited by the Thirteenth Amendment.

6. Contention: The federal income tax laws are unconstitutional because the Sixteenth Amendment to the United States Constitution was not properly ratified.

This argument is based on the premise that all federal income tax laws are unconstitutional because the Sixteenth Amendment was not officially ratified, or because the State of Ohio was not properly a state at the time of ratification. This argument has survived over time because proponents mistakenly believe that the courts have refused to address this issue.

According to the Supreme Court, the 16th Amendment “conferred no new powers of taxation”:

“..by the previous ruling it was settled that the provisions of the Sixteenth Amendment conferred no new power of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation to which it inherently belonged and being placed in the category of direct taxation subject to apportionment by a consideration of the sources from which the income was derived, that is by testing the tax not by what it was -- a tax on income, but by a mistaken theory deduced from the origin or source of the income taxed.”
[*Stanton v. Baltic Mining*, 240 U.S. 103 (1916)]

Therefore, why even argue about whether it was properly ratified. IT’S IRRELEVANT and red herring to keep attention off much more substantive issues discussed elsewhere in our rebuttal to this document.

The Law: The Sixteenth Amendment provides that Congress shall have the power to lay and collect taxes on income, from whatever source derived, without apportionment among the several states, and without regard to any census or enumeration. U.S. Const. amend. XVI. The Sixteenth Amendment was ratified by forty states, including Ohio, and issued by proclamation in 1913. Shortly thereafter, two other states also ratified the Amendment. Under Article v. of the Constitution, only three-fourths of the states are needed to ratify an Amendment. There were enough states ratifying the Sixteenth Amendment even without Ohio to complete the number needed for ratification. Furthermore, the U.S. Supreme Court upheld the constitutionality of the income tax laws enacted subsequent to ratification of the Sixteenth Amendment in *Brushaber v. Union Pacific R.R.*, 240 U.S. 1 (1916). Since that time, the courts have consistently upheld the constitutionality of the federal income tax.

Relevant Case Law:

Miller v. United States, 868 F.2d. 236, 241 (7th Cir. 1989) (per curiam) – the court stated, “We find it hard to understand why the long and unbroken line of cases upholding the constitutionality of the sixteenth amendment generally, *Brushaber v. Union Pacific Railroad Company* ... and those specifically rejecting the argument advanced in *The Law That Never Was*, have not persuaded Miller and his compatriots to seek a more effective forum for airing their attack on the federal income tax structure.” The court imposed sanctions for them having advanced a “patently frivolous” position.

United States v. Stahl, 792 F.2d. 1438, 1441 (9th Cir. 1986), cert. denied, 479 U.S. 1036 (1987) – stating that “the Secretary of State’s certification under authority of Congress that the sixteenth amendment has been ratified by the requisite number of states and has become part of the Constitution is conclusive upon the courts,” the court upheld Stahl’s conviction for failure to file returns and for making a false statement.

Knoblauch v. Commissioner, 749 F.2d. 200, 201 (5th Cir. 1984), cert. denied, 474 U.S. 830 (1986) – the court rejected the contention that the Sixteenth Amendment was not constitutionally adopted as “totally without merit” and imposed monetary sanctions against Knoblauch based on the frivolousness of his appeal. “Every court that has considered this argument has rejected it,” the court observed.

United States v. Foster, 789 F.2d. 457 (7th Cir.), cert. denied, 479 U.S. 883 (1986) – the court affirmed Foster’s conviction for tax evasion, failing to file a return, and filing a false W-4 statement, rejecting his claim that the Sixteenth Amendment was never properly ratified.

7. Contention: The Sixteenth Amendment does not authorize a direct non-apportioned federal income tax on United States citizens.

Some assert that the Sixteenth Amendment does not authorize a direct non-apportioned income tax and thus, U.S. citizens and residents are not subject to federal income tax laws.

The Law: The courts have both implicitly and explicitly recognized that the Sixteenth Amendment authorizes a non-apportioned direct income tax on United States citizens and that the federal tax laws as applied are valid. In *United States v. Collins*, 920 F.2d. 619, 629 (10 th Cir. 1990), cert. denied, 500 U.S. 920 (1991), the court cited to *Brushaber Union Pac .R.R.*, 240 U.S. 1, 12-19 (1916), and noted that the U.S. Supreme Court has recognized that the “sixteenth amendment authorizes a direct nonapportioned tax upon United States citizens throughout the nation.”

We don't argue that the Sixteenth Amendment authorizes a nonapportioned income tax. The question is WHERE is it authorized, on WHAT type of income is it authorized, and WHO is responsible to pay the tax?

According to the U.S. Supreme Court in the case of *Downes v. Bidwell*, [182 U.S. 244](#), (1901):

"CONSTITUTIONAL RESTRICTIONS AND LIMITATIONS [Bill of Rights] WERE NOT APPLICABLE to the areas of lands, enclaves, territories, and possessions over which Congress had EXCLUSIVE LEGISLATIVE JURISDICTION"

This ruling says that it doesn't matter WHAT the constitution says about apportionment of income taxes among the states, such apportionment isn't required on federal property covered by Article 1, Section 8, Clause 17 of the constitution, which gives Congress exclusive legislative jurisdiction over federal lands:

U.S. Constitution, Article 1, Section 8, Clause 17:

To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be for the Erection of Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings;—And [underlines added]

The type of income that the [16th Amendment](#) authorizes to be taxed is corporate profits and nothing more. The I.R.C. Subtitle A income tax is an indirect excise/privilege tax on a “[trade or business](#)”, which is defined in [26 U.S.C. §7701\(a\)\(26\)](#) as “the functions of a public office”. The is exhaustively analyzed in the article below:

[The “Trade or Business” Scam](#)

<http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm>

That public office is in the United States government, which is a federal corporation.

United States Code

TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE

PART VI - PARTICULAR PROCEEDINGS

CHAPTER 176 - FEDERAL DEBT COLLECTION PROCEDURE

SUBCHAPTER A - DEFINITIONS AND GENERAL PROVISIONS

Sec. 3002. Definitions

(15) "United States" means -

(A) a Federal corporation;

(B) an agency, department, commission, board, or other entity of the United States; or

(C) an instrumentality of the United States.

Therefore, the [I.R.C. Subtitle A](#) is a tax on corporate and partnership profits and earnings of public officials of the U.S. government, but not on the earnings from labor of private individuals who aren't corporate officers or U.S. public officials, unless they consent by voluntarily signing a W-4 form. If you doubt this, examine the following sections of the U.S. Code and the regulations:

- 26 U.S.C., Subchapter D - Seizure of Property for Collection of Taxes
[Sec. 6331. Levy and distraint](#)

(a) Authority of Secretary

If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. **Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia**, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.

- 26 C.F.R. §31.3401(c)-1 Employee: "...the term [employee] includes officers and employees, whether elected or appointed, of the United States, a [federal] State, Territory, Puerto Rico or any political subdivision, thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term 'employee' also includes an officer of a corporation."
- [26 U.S.C. § 3401\(c\)](#) Employee
For purposes of this chapter, the term "employee" includes [is limited to] an officer, employee, or elected official of the United States, a State, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term "employee" also includes an officer of a corporation.

Congressional Research Service Report 97-59A dated May 7, 2001 clearly states that the [I.R.C. Subtitle A](#) income tax is an indirect excise tax, not a direct, non-apportioned tax. You can download a copy of this rebutted report from our website at: <http://famguardian.org/Subjects/Taxes/FalseRhetoric/CRS-97-59A-rebuts.pdf>

All excise taxes are taxes on “privileges” received by the taxpayer from the entity the tax is paid to.

“The term ‘excise tax’ is synonymous with ‘privilege tax’, and the two have been used interchangeable. Foster & C. Co. v. Graham, 154 Tenn. 412, 285 S.W. 570, 47 A.L.R. 971. Whether a tax is characterized in a statute imposing it, as a privilege tax or an excise tax is merely a choice of synonymous words, for an excise tax is a privilege tax.”
[Bank of Commerce & T. Co. v. Senter, 149 Tenn. 569, 260 SW 144, American Airways v. Wallace, 57 F.2d. 877, 880.]

And the definition of privilege is:

Privilege: "A particular benefit or advantage enjoyed by a person, company, or class beyond the common advantages of other citizens..."
[Black's Law Dictionary, Sixth Edition, p. 1197]

An essential feature of excise taxes is that they may not be coerced and are voluntary:

"The obligation to pay an excise tax is based upon the voluntary action of the person taxed in performing the act, enjoying the privilege, or engaging in the occupation which is the subject of the excise, and the element of absolute and unavoidable demand is lacking."
[People ex. rel. Atty Gen. v. Naglee, 1 Cal. 232, Bank of Commerce & T. Co. v. Senter, 149 Tenn. 569, 260 SW 144]

So the questions are:

1. “What ‘privilege’ are we in receipt of from the government that makes us liable for the excise tax known as the income tax?”
2. “What aspect of our behavior, other than the exercise of constitutionally protected rights of life, liberty, and the pursuit of happiness, causes us to “volunteer” to be liable for the excise tax known as [I.R.C. Subtitle A](#)?”

Is it a privilege to live and eat and breath and to be responsible for supporting oneself with labor and the wages that result from that labor? In fact, it's a right granted by the Constitution, and the exercise of rights cannot be taxed or penalized or punished by the government:

"That the right to...accept employment as a laborer for hire is a fundamental right is inherent to every free citizen, and is indisputable."
[United States v. Morris, 125 F.Rept. 325, 331]

However, [I.R.C. Subtitle A](#) income taxes amount to a tax on the exercise of rights, which is unconstitutional if the party paying the tax doesn't consent. This, in fact, is why you have to sign a W-4 before you can earn "wages" as legally defined, and why private employers cannot compel you to sign it.

[Internal Revenue Manual \(I.R.M.\), Section. 5.14.10.2 \(09-30-2004\)](#)
Payroll Deduction Agreements

2. Private employers, states, and political subdivisions are not required to enter into payroll deduction agreements. Taxpayers should determine whether their employers will accept and process executed agreements before agreements are submitted for approval or finalized.

[SOURCE: <http://www.irs.gov/irm/part5/ch14s10.html>]

The opposite of "private employers" is "public employers". The only "public employer" under the I.R.C. is the U.S. government itself. What the government has done, in effect, is to turn the exercise a right into a taxable privilege and tax the exercise of the privilege, which violates and encroaches on our rights and violates the Constitution.

"Legislature...cannot name something to be a taxable privilege unless it is first a privilege [Taxation West Key 53]...The Right to receive income or earnings is a right belonging to every person and realization and receipt of income, is therefore, not a privilege that can be taxed." [Taxation West Key 533]"
[Jack Cole Co. v. MacFarland, 337 S.W. 2d 453, Tenn.]

Our fundamental rights come from the Bill of Rights and are also clarified and explained in the Declaration of Independence says so:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. "

Part of the right to "life, liberty, and the pursuit of happiness" is the idea of making a living and supporting oneself so as not to become a burden to society and thereby encroach upon the rights of others by mandating that they support those who will not support themselves.

Once again, why do we pay this illegal [excise/privilege] income tax for privileges we aren't in receipt of?

Relevant Case Law:

In re Becraft, 885 F.2d. 547 (9th Cir. 1989) – the court affirmed a failure to file conviction, rejecting the taxpayer's frivolous position that the Sixteenth Amendment does not authorize a direct non-apportioned income tax.

Lovell v. United States, 755 F.2d. 517, 518 (7th Cir. 1984) – the court rejected the argument that the Constitution prohibits imposition of a direct tax without apportionment, and upheld the district court's frivolous return penalty assessment and the award of attorneys' fees to the government "because [the taxpayers'] legal position was patently frivolous." The appeals court imposed additional sanctions for pursuing "frivolous arguments in bad faith."

Broughton v. United States, 632 F.2d. 706 (8th Cir. 1980) – the court rejected a refund suit, stating that the Sixteenth Amendment authorizes imposition of an income tax without apportionment among the states.

E. Fictional Legal Bases

1. Contention: The Internal Revenue Service is not an agency of the United States.

Some argue that the Internal Revenue Service is not an agency of the United States but rather a private corporation, because it was not created by positive law (i.e., an act of Congress) and that, therefore, the IRS does not have the authority to enforce the Internal Revenue Code.

The Law: There is a host of constitutional and statutory authority establishing that the Internal Revenue Service is an agency of the United States. The U.S. Supreme Court stated in *Donaldson v. United States*, 400 U.S. 517, 534 (1971), “[w]e bear in mind that the Internal Revenue Service is organized to carry out the broad responsibilities of the Secretary of the Treasury under § 7801(a) of the 1954 Code for the administration and enforcement of the internal revenue laws.”

Pursuant to section 7801, the Secretary of Treasury has full authority to administer and enforce the internal revenue laws and has the power to create an agency to enforce such laws. Based upon this legislative grant, the Internal Revenue Service was created. Thus, the Internal Revenue Service is a body established by “positive law” because it was created through a congressionally mandated power. Moreover, section 7803(a) explicitly provides that there shall be a Commissioner of Internal Revenue who shall administer and supervise the execution and application of the internal revenue laws.

We don’t argue that the IRS was not created by positive law, but we do argue whether the Secretary of the Treasury or the Department of Justice or the Internal Revenue Service have any delegated authority to enforce Subtitle A personal income taxes inside the boundaries of the sovereign 50 states on nonfederal land. See, for instance, Treasury Order 150-10:

Treasury Order 150-10

U.S. Territories and Insular Possessions. The Commissioner shall, to the extent of authority otherwise vested in him, provide for the administration of the United States internal revenue laws in the U.S. Territories and insular possessions and other authorized areas of the world.

[Commerce Clearinghouse Publication 685. Also available at: <http://www.ustreas.gov/regs/>]

There simply are NO delegation of authority orders authorizing this and there never have been, and the reason is because there is no federal legislative jurisdiction within states of the Union. Please show us such a delegation of authority order and a ruling from the Supreme Court and not lower showing that the federal government has legislative jurisdiction within a sovereign State on land that it does not own. Furthermore, the U.S. Supreme Court has held that Congress cannot authorize, license, or otherwise establish a “trade or business” or any other type of franchise within a state of the Union in order to tax it.

*“Thus, Congress having power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes, may, without doubt, provide for **granting** coasting **licenses**, licenses to pilots, licenses to trade with the Indians, and any other **licenses** necessary or proper for the exercise of that great and extensive power; and the same observation is applicable to every other power of Congress, to the exercise of which the granting of licenses may be incident. All such licenses confer authority, and give rights to the licensee.*

*But very different considerations apply to the **internal commerce** or **domestic trade** of the States. Over this commerce and trade Congress has no power of regulation nor any direct control. This power belongs exclusively to the States. No interference by Congress with the business of citizens transacted within a State is warranted by the Constitution, except such as is strictly incidental to the exercise of powers clearly granted to the legislature. The power to authorize a business within a State is plainly repugnant to the exclusive power of the State over the same subject. It is true that the power of Congress to tax is a very extensive power. It is given in the Constitution, with only one exception and only two qualifications. Congress cannot tax exports, and it must impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus limited, and thus only, it reaches every subject, and may be exercised at discretion. But, it reaches only existing subjects. Congress cannot authorize a trade or business within a State in order to tax it.”*

[License Tax Cases, [72 U.S. 462](#), 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]

If Congress cannot “license” a “trade or business” directly, then they also can’t do it indirectly by using an SSN or TIN as the a de facto license number. This constitutional prohibition clearly includes the “trade or business” franchise that is the foundation of the modern income tax and which is defined in 26 U.S.C. §7701(a)(26) as “the functions of a public office”. 4 U.S.C. §72 mandates that all public offices must be exercised ONLY in the District of Columbia unless expressly authorized by law. Nowhere are the public offices that are the rightful subject of the tax ever expressly authorized to be exercised in a state of the Union, and therefore taxation cannot occur there.

The IRS indicates that the IRS was established by “positive law”. This is FRAUD. 1 U.S.C. §204 indicates that Title 26 of the U.S. Code, also called the Internal Revenue Code, was not enacted into positive law and stands simply as “prima facie evidence”. This means that the entire title is nothing more than a presumption. Presumptions are NOT evidence, and therefore nothing from the code can constitute evidence of a liability to do anything. That may be why most federal judges won’t even

allow the litigants to quote or use the “code” in front of the jury: Because it is a prejudicial presumption that impairs constitutional rights and therefore is a violation of due process of law:

“This court has never treated a presumption as any form of evidence. See, e.g., A.C. Aukerman Co. v. R.L. Chaides Constr. Co., 960 F.2d. 1020, 1037 (Fed.Cir.1992). (“[A] presumption is not evidence.”); see also Del Vecchio v. Bowers, 296 U.S. 280, 286, 56 S.Ct. 190, 193, 80 L.Ed. 229 (1935). (“[A] presumption] cannot acquire the attribute of evidence in the claimant’s favor.”); New York Life Ins. Co. v. Gamer, 303 U.S. 161, 171, 58 S.Ct. 500, 503, 82 L.Ed. 726 (1938). (“[A] presumption is not evidence and may not be given weight as evidence.”). Although a decision of this court, Jensen v. Brown, 19 F.3d. 1413, 1415 (Fed.Cir.1994), dealing with presumptions in VA law is cited for the contrary proposition, the Jensen court did not so decide.”

[Routen v. West, 142 F.3d. 1434 C.A.Fed. (1998)]

(1) [8:4993] Conclusive presumptions affecting protected interests: A conclusive presumption may be defeated where its application would impair a party’s constitutionally-protected liberty or property interests. In such cases, conclusive presumptions have been held to violate a party’s due process and equal protection rights. [Vlandis v. Kline (1973) 412 U.S. 441, 449, 93 S.Ct 2230, 2235; Cleveland Bd. of Ed. v. LaFleur (1974) 414 U.S. 632, 639-640, 94 S.Ct. 1208, 1215- presumption under Illinois law that unmarried fathers are unfit violates process]

[Rutter Group Practice Guide-Federal Civil Trials and Evidence, paragraph 8:4993, page 8K-34]

For a fascinating study that proves the IRS isn’t part of the government and especially isn’t an “agency” as that term is legally defined, and which contains an admission by a DOJ lawyer that disproves the above claim that the IRS is an “agency”, see:

Origins and Authority of the Internal Revenue Service, Form #05.005

<http://sedm.org/Forms/FormIndex.htm>

Relevant Case Law:

Salman v. Dept. of Treasury, 899 F.Supp. 471 (D. Nev. 1995) – the court described Salman’s contention that the Internal Revenue Service is not a government agency of the United States as wholly frivolous and dismissed his claim with prejudice.

Young v. I.R.S., 596 F.Supp. 141 (N.D. Ind. 1984) – the court granted summary judgment in favor of government, rejecting Young’s claim that the Internal Revenue Service is a private corporation, rather than a government agency.

2. Contention: Taxpayers are not required to file a federal income tax return, because the instructions and regulations associated with the Form 1040 do not display an OMB control number as required by the Paperwork Reduction Act.

Some argue that taxpayers are not required to file tax returns because of the Paperwork Reduction Act of 1980, 44 U.S.C. § 3501, et seq. ("PRA"). The PRA was enacted to limit federal agencies' information requests that burden the public. The "public protection" provision of the PRA provides that no person shall be subject to any penalty for failing to maintain or provide information to any agency if the information collection request involved does not display a current control number assigned by the Office of Management and Budget [OMB] Director. 44 U.S.C. §3512. Advocates of this contention claim that they cannot be penalized for failing to file Form 1040, because the instructions and regulations associated with the Form 1040 do not display any OMB control number.

The Law: The courts have uniformly rejected this argument on different grounds. Some courts have simply noted that the PRA applies to the forms themselves, not to the instruction booklets, and because the Form 1040 does have a control number, there is no PRA violation. Other courts have held that Congress created the duty to file returns in section 6012(a) and "Congress did not enact the PRA's public protection provision to allow OMB to abrogate any duty imposed by Congress" United States v. Neff, 954 F.2d. 698, 699 (11 th Cir. 1992).

The issue isn't just whether the form fails to display an OMB control number. The issue is whether it meets ALL THREE of the provisions of the Paperwork Reduction Act. These provisions include the following requirements, as indicated in Public Law 96-511:

1. Displays a valid OMB control number.
2. Indicates whether submission of the form is voluntary or mandatory.
3. Indicates the expiration date of the form, which can be no longer than three years after issuance of the form.

The Paperwork Reduction Act (P.R.A.) also says that if a form does not meet the above three requirements, then, and I quote:

[It] "requires all information requests of the public to display a control number, an expiration date, and indicate why the information is needed, how it will be used, and whether it is a voluntary or mandatory request. Requests which do not reflect a current OMB control number or fail to state why not, are 'bootleg'¹³ requests and may be ignored by the public."

The hypocrisy of the government and the courts toward its own laws, as indicated below, is proof that we live in a lawless society of men, and not law which is devoid of justice.

Relevant Case Law:

United States v. Wunder, 919 F.2d. 34 (6 th Cir. 1990) – the court rejected Wunder's claim of a PRA violation, affirming his conviction for failing to file a return.

Salberg v. United States, 969 F.2d. 379 (7th Cir. 1992) – the court affirmed Salberg's conviction for tax evasion and failing to file a return, rejecting his claims under the PRA.

United States v. Holden, 963 F.2d. 1114 (8th Cir.), cert. denied, 506 U.S. 958 (1992) – the court affirmed Holden's conviction for failing to file a return and rejected his contention that he should have been acquitted because tax instruction booklets fail to comply with the PRA.

United States v. Hicks, 947 F.2d. 1356, 1359 (9th Cir. 1991) – the court affirmed Hicks' conviction for failing to file a return, finding that the requirement to provide information is required by law, not by the IRS. "This is a legislative command, not an administrative request. The PRA was not meant to provide criminals with an all-purpose escape hatch."

Lonsdale v. United States, 919 F.2d. 1440, 1445 (10 th Cir. 1990) – the court found that the PRA "is inapplicable to 'information collection request' forms issued during an investigation against an individual to determine his or her tax liability."

3. Contention: African Americans can claim a special tax credit as reparations for slavery and other oppressive treatment.

Proponents of this contention assert that African Americans can claim a so-called "Black Tax Credit" on their federal income tax returns as reparations for slavery and other oppressive treatment suffered by African Americans.

The Law: There is no provision in the Internal Revenue Code which allows taxpayers to claim a "Black Tax Credit." It is a well settled principle of law that deductions and credits are a matter of legislative grace. See e.g., Wilson v. Commissioner, T.C. Memo. 2001-139, 81 T.C.M. (CCH) 1745 (2001). Unless specifically provided for in the Internal Revenue Code, no deduction or credit may be allowed.

Relevant Case Law:

¹³ Bootleg—adj. 6. Made, sold, or transported unlawfully. (Websters's New Universal Unabridged Dictionary, Random House Dictionary of English Language).

United States v. Bridges, 86 A.F.T.R.2d. (RIA) 5280 (4 th Cir. 2000) – the court upheld Bridges’ conviction of aiding and assisting the preparation of false tax returns, on which he claimed a non-existent “Black Tax Credit.”

4. Contention: Taxpayers are entitled to a refund of the Social Security taxes paid over their lifetime.

Proponents of this contention encourage individuals to file claims for refund of the Social Security taxes paid during their lifetime, on the basis that the claimants have sought to waive all rights to their Social Security benefits. Additionally, some advise taxpayers to claim a charitable contribution deduction as a result of their “gift” of these benefits or of the Social Security taxes to the United States.

The Law: There is no provision in the Internal Revenue Code, or any other provision of law, which allows for a refund of Social Security taxes paid on the grounds asserted above. In *Crouch v. Commissioner*, T.C. Memo. 1990-309, 59 T.C.M. (CCH) 938 (1990), the Tax Court sustained an IRS determination that a person may not claim a charitable contribution deduction based upon the waiver of future Social Security benefits.

5. Contention: An “untaxing” package or trust provides a way of legally and permanently avoiding the obligation to file federal income tax returns and pay federal income taxes

Advocates of this idea believe that an “untaxing” package or trust provides a way of legally and permanently “untaxing” oneself so that a person would no longer be required to file federal income tax returns and pay federal income taxes. Promoters who sell such tax evasion plans and supposedly teach individuals how to remove themselves from the federal tax system rely on many of the above-described frivolous arguments, such as the claim that payment of federal income taxes is voluntary, that there is no requirement for a person to file federal income tax returns, and that there are legal ways not to pay federal income taxes.

“Nontaxpayers” pursue trusts and corporation soles and other forms of structuring in order to protect their assets from illegal IRS enforcement actions. They don’t do it to “untax” themselves. They probably wouldn’t do it at all if our government demonstrated a respect for the Constitution and did not try to enforce the Internal Revenue Code against those who are not even subject to it. The total disregard for enacted positive law, and the Constitution is described by Congress in 50 U.S.C. §841 as “Communism”. The IRS is a communist organization, and those who are fighting communism must go to such extraordinary lengths not out of greed, but to ensure that they can support themselves and don’t become a burden their friends and loved ones, and that they put their God first and don’t allow government to become dictatorial or a false god or idol. Any government or public servant who is allowed to blatantly disregard enacted positive law and the Constitution is not only a communist, but a false god, and is certainly depriving others of the “equal protection of the laws” that is the foundation of our free Republican government:

[TITLE 50 > CHAPTER 23 > SUBCHAPTER IV > Sec. 841.](#)
[Sec. 841. - Findings and declarations of fact](#)

The Congress finds and declares that the Communist Party of the United States [consisting of the IRS, DOJ, and a corrupted federal judiciary], although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the [de jure] Government of the United States [and replace it with a de facto government ruled by the judiciary]. It constitutes an authoritarian dictatorship [IRS, DOJ, and corrupted federal judiciary in collusion] within a [constitutional] republic, demanding for itself the rights and [FRANCHISE/ privileges [including immunity from prosecution for their wrongdoing in violation of Article 1, Section 9, Clause 8 of the Constitution] accorded to political parties, but denying to all others the liberties [Bill of Rights] guaranteed by the Constitution [Form #10.002]. Unlike political parties, which evolve their policies and programs through public means, by the reconciliation of a wide variety of individual views, and submit those policies and programs to the electorate at large for approval or disapproval, the policies and programs of the Communist Party are secretly [by corrupt judges and the IRS in complete disregard of, Form #05.014, the tax franchise "codes", Form #05.001] prescribed for it by the foreign leaders of the world Communist movement [the IRS and Federal Reserve]. Its members [the Congress, which was terrorized to do IRS bidding by the framing of Congressman Traficant] have no part in determining its goals, and are not permitted to voice dissent to party objectives. Unlike members of political parties, members of the Communist Party are recruited for indoctrination [in the public FOOL system by homosexuals, liberals, and socialists] with respect to its objectives and methods, and are

organized, instructed, and disciplined [by the IRS and a corrupted judiciary] to carry into action slavishly the assignments given them by their hierarchical chieftains. Unlike political parties, the Communist Party [thanks to a corrupted federal judiciary] acknowledges no constitutional or statutory limitations upon its conduct or upon that of its members [ANARCHISTS!, Form #08.020]. The Communist Party is relatively small numerically, and gives scant indication of capacity ever to attain its ends by lawful political means. The peril inherent in its operation arises not from its numbers, but from its failure to acknowledge any limitation as to the nature of its activities, and its dedication to the proposition that the present constitutional Government of the United States ultimately must be brought to ruin by any available means, including resort to force and violence [or using income taxes]. Holding that doctrine, its role as the agency of a hostile foreign power [the Federal Reserve and the American Bar Association (ABA)] renders its existence a clear present and continuing danger to the security of the United States. It is the means whereby individuals are seduced [illegally KIDNAPPED via identity theft!, Form #05.046] into the service of the world Communist movement [using FALSE information returns and other PERJURIOUS government forms, Form #04.001], trained to do its bidding [by FALSE government publications and statements that the government is not accountable for the accuracy of, Form #05.007], and directed and controlled [using FRANCHISES illegally enforced upon NONRESIDENTS, Form #05.030] in the conspiratorial performance of their revolutionary services. Therefore, the Communist Party should be outlawed

The Law: The underlying claims for these “untaxing” packages are frivolous, as specified above. Promoters of these “untaxing” schemes as well as willful taxpayers have been subjected to criminal penalties for their actions. Taxpayers who have purchased and followed these “untaxing” plans have also been subjected to civil penalties for failure to timely file a federal income tax return and failure to pay federal income taxes.

Section 7408 provides a cause of action for injunctive relief to the United States against a party suspected of violating the tax laws. On November 15, 2001, the United States filed complaints for permanent injunctions pursuant to section 7408 against three individuals (David Bosset, Thurston Bell, and Harold Hearn) for failing to sign tax returns, promoting schemes that they knew were false or fraudulent, and engaging in the preparation of documents that understate tax liability. United States v. Bosset, No. 8:01-cv-2154-T-26TBM (M.D. Fla. 2001); United States v. Bell, No. 1:CV-01-2159 (M.D. Penn. 2001); United States v. Hearn, No. 1:01-CV-3058 (N.D. Ga. 2001).

In several of the above cases, there was a gross violation of due process because:

1. The defendant was not within general or exclusive federal jurisdiction.
2. The defendant challenged federal subject matter and in personam jurisdiction and demanded proof of jurisdiction to appear on the record. The judge ignored such demand in stark violation of the rulings of the Supreme Court.
3. The accused was not allowed to admit any evidence on the record in their defense.
4. The government was not required to produce admissible evidence that the court had subject matter jurisdiction over the defendant.
5. The government was not even required to provide admissible evidence that the parties to whom these packages were offered were “taxpayers”.
6. The judge would not allow a jury trial, but instead issued a “summary judgment”, and suffered from a personal conflict of interest in violation of [28 U.S.C. §144](#), 28 U.S.C. §455, and [18 U.S.C. §208](#) because his retirement benefits and pay were derived from the very activity he was ruling on.

Is THIS your idea of “civil procedure”. This is “uncivil procedure”, not “civil procedure”. Civilized people don’t behave this way and any judge who does is a tyrant who ought to be removed from the bench. This isn’t justice, but tyranny. Therefore, the judgments were void judgments because they proceeded entirely and exclusively on false and unsupported presumption. Show me a case where the above elements were completely satisfied and then maybe I’ll start believing some of the government’s rhetoric on this subject. This kind of malicious abuse of legal process has become commonplace in federal district courts across the country. Thomas Jefferson warned this would happen when he said:

"I do not charge the judges with willful and ill-intentioned error; but honest error must be arrested where its toleration leads to public ruin. As for the safety of society, we commit honest maniacs to Bedlam; so judges should be withdrawn from their bench whose erroneous biases are leading us to dissolution. It may, indeed, injure them in fame or in fortune; but it saves the republic, which is the first and supreme law."
[Thomas Jefferson: Autobiography, 1821. ME 1:122]

"The original error [of the Constitution was in] establishing a judiciary independent of the nation, and which, from the citadel of the law, can turn its guns on those they were meant to defend, and control and fashion their proceedings to its own will."

[Thomas Jefferson to John Wayles Eppes, 1807. FE 9:68]

"It is a misnomer to call a government republican in which a branch of the supreme power [the Federal Judiciary] is independent of the nation."

[Thomas Jefferson to James Pleasants, 1821. FE 10:198]

"Contrary to all correct example, [the Federal judiciary] are in the habit of going out of the question before them, to throw an anchor ahead and grapple further hold for future advances of power. They are then in fact the corps of sappers and miners, steadily working to undermine the independent rights of the States and to consolidate all power in the hands of that government in which they have so important a freehold estate."

[Thomas Jefferson: Autobiography, 1821. ME 1:121]

"We all know that permanent judges acquire an esprit de corps; that, being known, they are liable to be tempted by bribery; that they are misled by favor, by relationship, by a spirit of party, by a devotion to the executive or legislative; that it is better to leave a cause to the decision of cross and pile than to that of a judge biased to one side; and that the opinion of twelve honest jurymen gives still a better hope of right than cross and pile does."

[Thomas Jefferson to Abbe Arnoux, 1789. ME 7:423, Papers 15:283]

"It is not enough that honest men are appointed judges. All know the influence of interest on the mind of man, and how unconsciously his judgment is warped by that influence. To this bias add that of the esprit de corps, of their peculiar maxim and creed that 'it is the office of a good judge to enlarge his jurisdiction,' and the absence of responsibility, and how can we expect impartial decision between the General government, of which they are themselves so eminent a part, and an individual state from which they have nothing to hope or fear [because of official and judicial immunity]?"

[Thomas Jefferson: Autobiography, 1821. ME 1:121]

"At the establishment of our [state and federal] Constitutions, the judiciary bodies were supposed to be the most helpless and harmless members of the government. Experience, however, soon showed in what way they were to become the most dangerous; that the insufficiency of the means provided for their removal gave them a freehold and irresponsibility in office; that their decisions, seeming to concern individual suitors only, pass silent and unheeded [and even unpublished] by the public at large; that these decisions nevertheless become law by precedent ["judge-made law"], sapping by little and little the foundations of the Constitution and working its change by construction before any one has perceived that that invisible and helpless worm has been busily employed in consuming its substance. In truth, man is not made to be trusted for life if secured against all liability to account."

[Thomas Jefferson to A. Coray, 1823. ME 15:486]

"It is left... to the juries, if they think the permanent judges are under any bias whatever in any cause, to take on themselves to judge the law as well as the fact. They never exercise this power but when they suspect partiality in the judges; and by the exercise of this power they have been the firmest bulwarks of English liberty."

[Thomas Jefferson to Abbe Arnoux, 1789. ME 7:423, Papers 15:283]

Consequently, federal courts have become political propaganda vehicles and means of extortion, slavery, and duress instead of a place where justice prevails. If you want to see some detailed examples of how the government has violated due process like the above cases, see:

<http://famguardian.org/PublishedAuthors/Govt/TaxHonestyPersecution/TaxHonPersec.htm>

On January 29, 2002, a consent order was entered in United States v. Hearn in favor of the United States. The order permanently enjoined Mr. Hearn and his representatives from, among other things, promoting or selling tax shelter plans, including but not limited to the section 861 Argument. (See Section I.B.2 of this outline concerning a section 861 Argument.) In the order, Mr. Hearn agreed that he relied upon the frivolous section 861 Argument in making false or fraudulent statements on federal income tax returns regarding the excludability of wages and other items from income. A permanent injunction order was entered in United States v. Bosset on February 27, 2003, barring Mr. Bosset from promoting the frivolous section 861 Argument. A permanent injunction order was entered in United States v. Bell on January 29, 2004, enjoining Mr. Bell from promoting frivolous positions for fraudulent tax schemes.

In September 2004, a federal district court granted a preliminary injunction against James Binge and Terrence Bentivegna enjoining them from promoting abuse tax shelters and preparing federal tax returns. The court found that the plan promoted by these two individuals (doing business as Accounting & Financial Services) encouraging others to form various trusts without a legitimate legal basis in order to avoid federal taxes was an abusive tax scheme. United States v. Binge et. al, No. 5:04-CV-01419 (N.D. Ohio Sept. 27, 2004); see <http://www.usdoj.gov/tax/txdv04658.htm>; see also 2004 TNT 218-12 (Sept. 27, 2004).

Furthermore, persons making frivolous ³¹ arguments may be denied the ability to practice before the Internal Revenue Service. In July 2004, the Treasury Department denied a request for reinstatement to practice before the IRS made by Joseph R. Banister, now a CPA but formerly an IRS Criminal Investigations agent. Mr. Banister made various frivolous arguments, including the contention that only foreign-source income is taxable and the contention that the Sixteenth Amendment was not ratified, which led to the decision to deny his request. See 2004 TNT 145-3 (July 14, 2004).

Relevant Case Law:

United States v. Andra, 218 F.3d. 1106 (9th Cir. 2000) - in affirming the conviction of a promoter of an untaxing scheme for tax evasion and conspiracy, the court found that it was proper to include the tax liabilities of persons Andra recruited into a tax fraud conspiracy when calculating the effect of his actions for sentencing.

United States v. Clark, 139 F.3d. 485 (5th Cir.), cert. denied, 525 U.S. 899 (1998) - the court upheld convictions of defendants involved with The Pilot Connection Society for conspiracy to defraud the United States and aiding and abetting the filing of fraudulent Forms W-4.

Robinson v. Commissioner, T.C. Memo. 1995-102, 69 T.C.M. (CCH) 2061, 2062 (1995) - the court quoted language from Hanson v. Commissioner, 696 F.2d. 1232, 1234 (9th Cir. 1983) that “[n]o reasonable person would have trusted this scheme to work.”

King v. Commissioner, T.C. Memo. 1995-524, 70 T.C.M. (CCH) 1152 (1995) - the court found King, who had followed the Pilot Connection’s “untaxing” techniques, liable for penalties for failure to file returns and for failing to make sufficient estimated tax payments.

United States v. Raymond, 228 F.3d. 804, 812 (7th Cir. 2000), cert. denied, 121 S. Ct. 2242 (2001) - the court affirmed a permanent injunction against taxpayers who promoted a De-Taxing America Program, forbidding them from engaging in certain activities that incited others to violate tax laws. The court said, [W]e conclude that the statements the appellants made in the Just Say No advertisement were representations concerning the tax benefits of purchasing and following the De-Taxing America Program that the appellants reasonably should have known were false.

United States v. Kaun, 827 F.2d. 1144 (7th Cir. 1987) - the court affirmed the district court’s injunction prohibiting the taxpayer from inciting others to submit tax returns based on false income tax theories.

United States v. Krall, 835 F.2d. 711 (8th Cir. 1987) - the court held that the trusts used were shams. The defendant, an optometrist, exercised the same dominion and control over the corpus and income of the trusts as he had before the trusts were executed. The court further found the defendant illegally attempted to assign his earned income to the various trusts.

United States v. Scott, 37 F.3d. 1564 (10th Cir. 1994) - the court concluded the true grantor of the trusts was in substance the purchaser, who was also the trustee, as well as the beneficiary. It was as if there were no transfers at all. Therefore the purchaser was subject to tax on all the income of the various trusts. The defendants were the promoters of a multi-tiered trust package marketed to purchasers as a device to eliminate tax liability without losing control over their assets or income.

United States v. Meek, 998 F.2d. 776 (10th Cir. 1993) – the court upheld Meek’s conviction of willfully failing to file an income tax return and willfully attempting to evade taxes. Meek’s trust had been formed through his membership in an organization (a “warehouse bank”) that provided its members the opportunity to warehouse their funds until directed to disburse them. The warehouse bank’s numbering system for conducting transactions protected its members’ privacy, thus hiding their assets and income.

6. Contention: A “corporation sole” can be established and used for the purpose of avoiding federal income taxes

Advocates of this idea believe they can reduce their federal tax liability by taking the position that the taxpayer's income belongs to a "corporation sole," an entity created for the purpose of avoiding taxes. A valid corporation sole is a corporate form that enables religious leaders to hold property and conduct business for the religious entity. Participants in this scheme apply for incorporation under the pretext of being an official of a church or other religious organization. Participants contend that their income is exempt from taxation because the income allegedly belongs to the corporation sole, which is claimed to be a tax exempt organization described in section 501(c)(3).

Within the Holy Bible, Christians are the church. The Church IS NOT a building or an organization, but the collection of all believers all over the world.

"Do you not know that you are the temple of God and that the Spirit of God dwells in you? If anyone defiles the temple of God, God will destroy him. For the temple of God is holy, which temple you are."
[1 Cor. 3:16-17, Bible, NKJV]

"Ye are the body of Christ, and members individually"
[1 Cor. 12: 27, Bible, NKJV]

"I beseech you therefore, brethren, by the mercies of God, that you present your bodies [God's temple] a living sacrifice, holy, acceptable to God, which is your reasonable service. And do not be conformed to this world [or the vain earthly laws of this world that violate God's laws], but be transformed by the renewing of your mind, that you may prove what is the good and acceptable and perfect will of God."
[Romans 12:1-2, Bible, NKJV]

Anyone can be a church either as a family or as individuals. That's scriptural, and there is no need for "pretext", as the IRS falsely accuses. See the following article below for details, and please rebut it if you can:

We Are the Church, Family Guardian Fellowship

<http://famguardian.org/Subjects/Spirituality/ChurchvState/WeAreTheChurch.htm>

In the above context, everyone is a religious leader. Under the Biblical model for the family, fathers are not only patriarchs, but also are "religious leaders" within their believing families. The purpose of families is to transmit values and morality to their children and religious faith is the foundation of all morality. One of the purposes of the "police powers" granted to state governments is to "protect the public morals of the people", which implies protecting the free exercise of religion of the people as required under the First Amendment. Families where both spouses are believers can biblically be classified as a "church". Those who make their families into "corporation soles" do not do so because they want to be "exempt" from otherwise legitimate taxes authorized by the Constitution. Instead, they do so because they want to be left alone by the government to live their lives privately and not be compelled to associate with the government through voluntary income taxation or any other vehicle of political control. The First Amendment guarantees freedom from what is called "compelled association" with any group or government. Below is an important article from a prominent legal publisher on this subject:

Just as there is freedom to speak, to associate, and to believe, so also there is freedom not to speak, associate, or believe. "The right to speak and the right to refrain from speaking [on a government tax return, and in violation of the Fifth Amendment when coerced, for instance] are complementary components of the broader concept of 'individual freedom of mind.'" Wooley v. Maynard [430 U.S. 703] (1977). Freedom of conscience dictates that no individual may be forced to espouse ideological causes with which he disagrees:

"[A]t the heart of the First Amendment is the notion that the individual should be free to believe as he will, and that in a free society one's beliefs should be shaped by his mind and by his conscience rather than coerced by the State [through illegal enforcement of the revenue laws]."
[Abood v. Detroit Board of Education [431 U.S. 209] (1977)]

Freedom from compelled association is a vital component of freedom of expression. Indeed, freedom from compelled association illustrates the significance of the liberty or personal autonomy model of the First Amendment. As a general constitutional principle, it is for the individual and not for the state to choose one's associations and to define the persona which he holds out to the world.
[First Amendment Law, Barron-Dienes, West Publishing, ISBN 0-314-22677-X, pp. 266-267]

"Nontaxpayers" who are not subject to the Internal Revenue Code to begin with don't need to pursue an "exemption", and exemptions or money aren't the main reason for families and individuals to seek legal recognition as a church. Instead, the reasons are primarily spiritual and scriptural and have to do with separation of the "church", which are Christians both individually and collectively, from the "state", which are the atheist or pagan members of the political body within their

jurisdiction or the government as they express their will through enacted positive law. Below are a few authorities on this subject:

*"Come out from among them [the unbelievers]
And be separate, says the Lord.
Do not touch what is unclean,
And I will receive you.
I will be a Father to you,
And you shall be my sons and daughters,
Says the Lord Almighty."
[2 Corinthians 6:17-18, Bible, NKJV]*

*"Do not love the world or the things in the world. If anyone loves [is a citizen of] the world, the love of the Father is not in Him. For all that is in the world--the lust of the flesh, the lust of the eyes, and the pride of life--is not of the Father but is of the world. And the world is passing away, and the lust of it; but he who does the will of God abides forever."
[1 John 2:15-17, Bible, NKJV]*

*"Adulterers and adulteresses! Do you now know that friendship [and "citizenship"] with the world is enmity with God? Whoever therefore wants to be a friend [citizen or "taxpayer"] of the world makes himself an enemy of God."
[James 4:4, Bible, NKJV]*

*"Pure and undefiled religion before God and the Father is this: to visit orphans and widows in their trouble, and to keep oneself unspotted from the world [and the corrupted governments and laws of the world]."
[James 1:27, Bible, NKJV]*

*"And you shall be holy to Me, for I the Lord am holy, and have separated you from the peoples, that you should be Mine."
[Leviticus 20:26, Bible, NKJV]*

*"I am a stranger in the earth;
Do not hide Your commandments from me."
[Psalms 119:19, Bible, NKJV]*

*"I have become a stranger to my brothers,
And an alien to my mother's children;
Because zeal for Your house has eaten me up,
And the reproaches of those who reproach You have fallen on me."
[Psalms 69:8-9, Bible, NKJV]*

The IRS doesn't want to acknowledge any of the above motivations for seeking official recognition as a church, because they want to make everyone who wants separation of church and state to look just as greedy, materialistic, and selfish as the criminals and thieves who inhabit the District of Criminals (Washington, D.C.). They also didn't mention that the only people or organizations they will officially recognize are those who falsely believe that the IRS has any lawful authority at all to do most of what they do. Indirectly, the only "churches" they will recognize under [501\(c\)\(3\)](#) of the code, are those who "worship" and "serve" the pagan state and who are members of the political religion called "The Civil Religion of Socialism". See the following article below:

[Our Government Has Become Idolatry and a False Religion](http://famguardian.org/Subjects/Taxes/Articles/Christian/GovReligion.htm), Family Guardian Fellowship
<http://famguardian.org/Subjects/Taxes/Articles/Christian/GovReligion.htm>

The Law: A valid corporation sole enables a bona fide religious leader, such as a bishop or other authorized religious official, to incorporate under state law, in his capacity as a religious official. See e.g., *Berry v. Society of Saint Pius X*, 69 Cal.App.4th. 354 (1999). A corporation sole may own property and enter into contracts as a natural person, but only for the purposes of the religious entity and not for the individual office holder's personal benefit. A legitimate corporation sole is designed to ensure continuity of ownership of property dedicated to the benefit of a legitimate religious organization.

A taxpayer cannot avoid income tax or other financial responsibilities by purporting to be a religious leader and forming a corporation sole for tax avoidance purposes. The claims that such a corporation sole is described in section 501(c)(3) and that assignment of income and transfer of assets to such an entity will exempt an individual from income tax are meritless.

They are playing on words again here. No doubt a “taxpayer”, who is a person liable under the code, cannot avoid income tax. But what about “nontaxpayers” who are not subject to the I.R.C. and not liable for federal income taxes? When are they going to address THEM in this pamphlet? Don’t they deserve “equal protection” and equal time in this pamphlet?

“The equal protection demanded by the fourteenth amendment forbids this. No language is more worthy of frequent and thoughtful consideration than these words of Mr. Justice Matthews, speaking for this court, in Yick Wo v. Hopkins, 118 U.S. 356, 369, 6 S. Sup. Ct. 1064, 1071: ‘When we consider the nature and the theory of our institutions of government, the principles upon which they are supposed to rest, and review the history of their development, we are constrained to conclude that they do not mean to leave room for the play and action of purely personal and arbitrary power.’ The first official action of this nation declared the foundation of government in these words: ‘We hold these truths to be self-evident, [165 U.S. 150, 160] that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.’ While such declaration of principles may not have the force of organic law, or be made the basis of judicial decision as to the limits of right and duty, and while in all cases reference must be had to the organic law of the nation for such limits, yet the latter is but the body and the letter of which the former is the thought and the spirit, and it is always safe to read the letter of the constitution in the spirit of the Declaration of Independence. No duty rests more imperatively upon the courts than the enforcement of those constitutional provisions intended to secure that equality of rights which is the foundation of free government.”

[Gulf, C. & S. F. R. Co. v. Ellis, 165 U.S. 150 (1897)]

When is the existence of “nontaxpayers” even going to be not only recognized by the government but PROTECTED? Isn’t PROTECTION the main reason that all governments are established to begin with? Isn’t protection of the INNOCENT/NOT liable the most important aspect of any government? Instead, the government, through unlawful de facto action, is abusing its legislative power to try to make it illegal for people to protect their assets from illegal extortion by usurping government employees. This is not the purpose for which government authority should be used.

Courts have repeatedly rejected similar arguments as frivolous, imposed penalties for making such arguments, and upheld criminal tax evasion convictions against those making or promoting the use of such arguments.

The IRS issued Revenue Ruling 2004-27, 2004-12 I.R.B. 625, which discusses this frivolous argument in more detail, warning taxpayers of the consequences of attempting to use this scheme.

In December 2004, a federal district court in Oregon permanently barred Judy Harkins from selling a fraudulent tax scheme promoting the use of “corporation sole.” The court found that Harkins falsely told customers the plan could be used to avoid federal income tax and that Harkins knew or had reason to know the statements were false. See <http://www.usdoj.gov/tax/txdv04777.htm>; see also 2004 TNT 234-65 (Dec. 3, 2004).

Relevant Case Law:

United States v. Heineman, 801 F.2d. 86 (2d Cir. 1986) - the court upheld the conviction and three year prison sentence imposed against the defendants for promoting use of purported church entities to avoid taxes.

United States v. Adu, 770 F.2d. 1511 (9th Cir. 1985) - the court upheld the conviction against Adu for aiding and assisting in the preparation and presentation of false income tax returns with respect to false charitable deductions to purported church entities.

Svedahl v. Commissioner, 89 T.C. 245 (1987) - the court sanctioned Svedahl under section 6673 in the amount of \$5,000 for using contributions to purported church entities to shield income and pay personal expenses.

7. Contention: Taxpayers who did not purchase and use fuel for an off-highway business can claim the fuels tax credit

Proponents of this idea assert that taxpayers can claim the section 6421 fuels tax credit without regard to whether they qualify for the credit through the purchase and use of gasoline for an off-highway business. In addition, certain purveyors of fraudulent tax schemes have claimed on behalf of clients (usually on IRS Form 4136, Credit for Federal Tax Paid on Fuels) the tax credit under

section 6427 for nontaxable uses of fuel when the taxpayers clearly are not entitled to the credit based on the facts, such as the taxpayers' occupation and income level, type of motor vehicle and how it is used, and the volume of fuel claimed.

The Law: These claims are frivolous. Section 6421(a) allows a tax credit for gasoline purchased and used in an off-highway business. Similarly, section 6427 provides a tax credit to certain purchasers of undyed diesel fuel used in an off-highway business. The diesel fuel credit is allowable both for off-highway business use or any use other than in a registered diesel-powered highway vehicle (e.g., in a private home for personal heating purposes). The circumstances in which the credits are available are specific and limited.

The principal requirement is that the fuel be used in an off-highway business. Off-highway business use is the use of fuel in a trade or business or in an income-producing activity other than as a fuel in a vehicle registered for use on public highways. IRS Publication 225 (2008), *Farmer's Tax Guide*, gives as examples of the off-highway business use of fuels: (1) use in stationary machines like generators, compressors, power saws, and similar equipment; (2) use in forklifts, bulldozers, and earthmovers; and (3) use in cleaning. Also, Publication 510 (2008), *Excise Taxes*, explains that, with some exceptions, a highway vehicle is one "designed to carry a load over a public highway," including federal, state, county, and city roads and streets. Passenger cars, motorcycles, buses, highway trucks, tractor trailers, etc., generally are highway vehicles. Taxpayers are claiming fuels tax credits without regard to these requirements and often in absurdly large amounts that cannot possibly be for the quantity of fuel expended for off-highway purposes. Notice 2010-33, 2010-17 I.R.B. 609, lists such positions as frivolous.

Relevant Case Law:

United States v. Kasten, No. 4:08-cv-2740, 2008 U.S. Dist. LEXIS 107679 (S.D. Tex. Nov. 13, 2008) – the court permanently enjoined Kasten and any person in active concert with him from acting as a federal tax return preparer and from preparing or filing federal tax returns for taxpayers. Kasten prepared tax returns claiming false fuels tax credits.

United States v. Totou, No. 3:07-cv-391 (W.D.N.C. May 14, 2008) – the court permanently enjoined a tax return preparer from preparing or filing federal tax returns. Totou claimed fraudulent fuels tax credits on customers' returns.

8. Contention: A Form 1099-OID can be used as a debt payment option or the form or a purported financial instrument may be used to obtain money from the Treasury

Advocates of this contention encourage individuals to use a Form 1099-OID, Original Issue Discount, or a bogus financial instrument such as a bonded promissory note as what purports to be a debt payment method for credit cards or mortgage debt. This scheme has evolved somewhat from an earlier frivolous position under which a secret bank account (sometimes referred to as a "straw man" account) was supposedly created at the Treasury Department for each U.S. citizen that individuals could use to pay tax and non-tax debts and claim withholding credits. Those who put forth this theory often argue that the proper way to redeem or draw on the account is to use some form of made-up financial instrument. This has frequently involved what looks like a check drawn on the United States Treasury or other similar paper instruments, e.g., bonded promissory notes.

One variation of this theory claims that each citizen has a "private side" and a "public side." This theory contends that the government owns each person's public side or "straw man" by holding title to each citizen's birth certificate. By filing UCC-1 financing statements and their birth certificates in a state that accepts such filings, followers of this theory believe they can "redeem" their birth certificates. Redemption theorists view the redeemed birth certificate as an asset on which they place a value of up to \$2 million and assert the U.S. Treasury Department acts as a clearinghouse for the funds. Under this theory, they then create money orders and sight drafts drawn on their "Treasury Direct Accounts." Courts have characterized this theory as "implausible," "clearly nonsense," "convoluted," and "peculiar."

Another variation of the “redemption theory” asserts that persons can draw on the secret or “straw man” Treasury account by sending a Form 1099-OID to a creditor and the creditor can present the form to the Treasury Department and receive full payment of the debt. The proponents of this theory appear to assert that the Form 1099-OID permits them to access their secret Treasury Account for an amount equal to the face amount of the Form 1099-OID in the form of a tax refund.

Proponents of this theory also argue that they have sold or transferred their debt or obligation to the person to whom they issued the Form 1099- OID in a transaction subject to sections 1271 through 1275 and that the debt or obligation is transferred with a discount of the full face amount. The issuer of the Form 1099-OID then treats the face amount of the Form 1099-OID as “other income” on the individual’s return. The “other income” amount, however, is not included in the taxable income line.

Persons asserting this theory often significantly overstate withholding and claim an excessive refund in an amount close or identical to the inflated withholding.

The Law: As the instructions to the Form 1099-OID indicate, the purpose of the form is to report the original issue discount of holders of OID obligations, like certificates of deposit, time deposits, bonds, debentures, bonus saving plans, and Treasury inflation-indexed securities, having a term of more than one year. OID is simply the excess of the stated redemption of the deposit, bond, or other financial obligation at maturity over its issue price. Under section 1272, OID is taxable as interest over the life of the obligation and must be included in the holder’s gross income each taxable year that the obligation is held. Certain obligations are excepted, including United States savings bonds and short-term (less than one year) and tax-exempt obligations.

The Form 1099-OID is in no way a financial instrument. It is not a legitimate method of payment of any public or private debt, and it is not a means to withdraw or redeem money from the Treasury. Furthermore, as the federal Court of Appeals for the Sixth Circuit stated in *United States v. Anderson*, 353 F.3d. 490, 500 (6th Cir. 2003), the Treasury Department does not maintain depository accounts against which an individual can draw a check, draft, or any other financial instrument. The notion of secret accounts assigned to each citizen is pure fantasy.

In addition to potential civil and criminal tax penalties for misuse of the Form 1099-OID, persons who fraudulently use false or fictitious instruments may be guilty of federal criminal offenses, such as under sections 287 and 514(a) of title 18.

The IRS warned taxpayers of the consequences of making such frivolous arguments in [Rev. Rul. 2005-21](#), 2005-1 C.B. 822 (discussing the “straw man” theory) and [Rev. Rul. 2004-31](#), 2004-1 C.B. 617 (discussing the commercial redemption theory).

There are variations of this frivolous argument where certain individuals or groups may claim false withholding or tax payments on an income tax return or purported return using another document from the Form 1099 series of information returns or a Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains. When such a taxpayer uses the Form 2439, the form is prepared to show false amounts of tax payments allegedly made for the taxpayer by a Regulated Investment Company (RIC) or Real Estate Investment Trust (REIT).

Relevant Case Law:

United States v. Johnson, 795 F.3d. 840 (8th Cir. 2015) – the 8th Circuit upheld the defendants’ criminal convictions relating to their misuse of the Form 1099-OID to inflate income and claim refunds.

United States v. Heath, 525 F.3d. 451 (6th Cir. 2008) - the court convicted the defendant of presenting a fictitious financial instrument under 18 U.S.C. § 514(a) for sending to the IRS a so-called “Registered Bill of Exchange” that appeared to be a certified check but for which there was no actual account.

United States v. Anderson, 353 F.3d. 490 (6th Cir. 2003) – the court upheld criminal convictions relating to a conspiracy involving the creation and offering of almost 200 fictitious sight drafts purporting to be drawn on the United States Treasury with an aggregate face value of more than \$550 million.

United States v. Getzschman, 81 Fed.Appx. 619 (8th Cir. 2003) – the court upheld the Getzschmans' convictions for conspiracy to make and pass false or fictitious financial instruments in violation of 18 U.S.C. §§ 371 and 514(a)(1) and for producing, passing, and attempting to pass fictitious money orders in violation of 18 U.S.C. §§ 514(a)(1) and (2) relating to their attempts to use money orders drawn on the Department of Treasury.

United States v. Cunningham, 107 A.F.T.R.2d. (RIA) 2011-382 (S.D. Cal. 2011) – the court held the taxpayer in contempt for refusing to comply with a court order to provide documents and testimony summoned by the IRS pursuant to an investigation regarding his participation in a Form 1099 OID scheme.

United States v. Provost, 109 A.F.T.R.2d. (RIA) 2012-1706 (E.D. Cal. 2012) – the court rejected the taxpayer's issuance of "Unlimited Indemnity Bond" as frivolous and characterized his attempts to draw on the government to pay his debts "nonsensical and meritless."

Ernle v. Commissioner, T.C. Memo. 2010-237, 100 T.C.M. (CCH) 367 (2010) – the court held petitioner liable for fraud based on various filings, including phony Forms 1099-OID and imposed a penalty of \$4,000 under section 6673(a).

Other Cases: *United States v. Knupp*, No. 1:09-CV-2724, 2010 WL 2245551 (N.D. Ga. May 14, 2010); *Miller v. Commissioner*, No. 3:09-1030, 2009 WL 4060274, (M.D. Tenn. Nov. 23, 2009); *United States v. Guan*, No. 2:09-cv-07816, 104 A.F.T.R.2d. (RIA) 2009-7471 (C.D. Cal. 2009); *Bryant v. Washington Mutual Bank*, 524 F.Supp.2d. 753, 760 (W.D. Va. 2007); *United States v. Oehler*, 2003 WL 1824967 (D. Minn. Apr. 2, 2003); *Osband v. Commissioner*, T.C. Memo. 2013-188, 106 T.C.M. (CCH) 124 (2013).

We agree with the IRS on this subject. The approach criticized in this section is what we call "U.C.C. Redemption". Our approach to that subject is exhaustively covered in the following policy document:

Policy Document: U.C.C. Redemption, Form #08.002
<https://sedm.org/Forms/08-PolicyDocs/UCC.pdf>

F. "Untaxing" Packages or "Untaxing" Trusts

1. Contention: An "untaxing" package or trust provides a way of legally and permanently avoiding the obligation to file federal income tax returns and pay federal income taxes.

Advocates of this idea believe that an "untaxing" package or trust provides a way of legally and permanently "untaxing" oneself so that a person would no longer be required to file federal income tax returns and pay federal income taxes. Promoters who sell such tax evasion plans and supposedly teach individuals how to remove themselves from the federal tax system rely on many of the above-described frivolous arguments, such as the claim that payment of federal income taxes is voluntary, that there is no requirement for a person to file federal income tax returns, and that there are legal ways not to pay federal income taxes.

The Law: The underlying claims for these "untaxing" packages are frivolous, as specified above. Promoters of these "untaxing" schemes as well as willful taxpayers have been subjected to criminal penalties for their actions. Taxpayers who have purchased and followed these "untaxing" plans have also been subjected to civil penalties for failure to timely file a federal income tax return and failure to pay federal income taxes.

We agree with the IRS that these “untaxing packages” do not deliver what they promise. The reason is that they don’t attack where the underlying liability is fraudulently generated, which is the usually false information returns that associate the earnings of the entity to the “trade or business”/“public office” excise taxable franchise. The only way to “untax” anything is to:

1. Not open financial accounts with an identifying number or use an identifying number.
 - 1.1. This number connects the applicant to the “trade or business” franchise pursuant to 26 C.F.R. §301.6109-1(b)(2)(i) and also to employment within the IRS.
 - 1.2. The requirement to furnish identifying numbers originates from 26 C.F.R. §301.6109-1, and this regulation is only for internal use within the I.R.C. pursuant to 5 U.S.C. §301: not for use by the general public. If it was for use by the general public, it would have the following regulation number: 26 C.F.R. §1.6109-1.
2. Ensure that the “person” is not associated with the “trade or business” and “public office” excise taxable franchise
3. Ensure that information returns are not filed against entities that are not so engaged
4. Correct those false information returns that are filed, and to prosecute the filers of these false information returns.

Furthermore, section 7408 provides a cause of action for injunctive relief to the United States against a party suspected of violating the tax laws.

Relevant Case Law:

United States v. Andra, 218 F.3d. 1106 (9th Cir. 2000) – in affirming the conviction of a promoter of an untaxing scheme for tax evasion and conspiracy, the court found that it was proper to include the tax liabilities of persons Andra recruited into a tax fraud conspiracy when calculating the effect of his actions for sentencing.

United States v. Clark, 139 F.3d. 485 (5th Cir.), cert. denied, 525 U.S. 899 (1998) – the court upheld convictions of defendants involved with The Pilot Connection Society for conspiracy to defraud the United States and aiding and abetting the filing of fraudulent Forms W-4.

Robinson v. Commissioner, T.C. Memo. 1995-102, 69 T.C.M. (CCH) 2061, 2062 (1995) – the court quoted language from Hanson v. Commissioner, 696 F.2d. 1232, 1234 (9th Cir. 1983) that “[n]o reasonable person would have trusted this scheme to work.”

King v. Commissioner, T.C. Memo. 1995-524, 70 T.C.M. (CCH) 1152 (1995) – the court found King, who had followed the Pilot Connection’s “untaxing” techniques, liable for penalties for failure to file returns and for failing to make sufficient estimated tax payments.

United States v. Raymond, 228 F.3d. 804, 812 (7th Cir. 2000), cert. denied, 121 S. Ct. 2242 (2001) – the court affirmed a permanent injunction against taxpayers who promoted a “De-Taxing America Program,” forbidding them from engaging in certain activities that incited others to violate tax laws. The court said, “[W]e conclude that the statements the appellants made in the Just Say No advertisement were representations concerning the tax benefits of purchasing and following the De-Taxing America Program that the appellants reasonably should have known were false.”

United States v. Kaun, 827 F.2d. 1144 (7th Cir. 1987) – the court affirmed the district court’s injunction prohibiting the taxpayer from inciting others to submit tax returns based on false income tax theories.

United States v. Krall, 835 F.2d. 711 (8th Cir. 1987) – the court held that the trusts used were shams. The defendant, an optometrist, exercised the same dominion and control over the corpus and income of the trusts as he had before the trusts were executed. The court further found the defendant illegally attempted to assign his earned income to the various trusts.

United States v. Scott, 37 F.3d. 1564 (10th Cir. 1994) – the court concluded the true grantor of the trusts was in substance the purchaser, who was also the trustee, as well as the beneficiary. It was as if there were no transfers at all. Therefore the purchaser was subject to tax on all the income of the various trusts. The defendants were the promoters of a multi-tiered trust package marketed to purchasers as a device to eliminate tax liability without losing control over their assets or income.

II. FRIVOLOUS ARGUMENTS IN COLLECTION DUE PROCESS CASES

Under sections 6320 (pertaining to liens) and 6330 (pertaining to levies), the IRS must provide taxpayers notice and an opportunity for an administrative appeals hearing upon the filing of a notice of federal tax lien (section 6320) and prior to levy (section 6330). Taxpayers have the right to seek judicial review of the IRS's determination in these proceedings. Section 6330(d). These reviews can extend to the merits of the underlying tax liability, if the taxpayer has not previously received the opportunity for review of the merits, e.g., did not receive a notice of deficiency. Section 6330(c)(2)(B). The Tax Court will impose sanctions pursuant to section 6673 against taxpayers who seek judicial relief based upon frivolous or groundless positions. Discussed below are some of the more common frivolous tax arguments raised in collection due process cases.

A. Invalidity of the Assessment

1. Contention: A tax assessment is invalid because the taxpayer did not get a Form 23C

The Law: Tax assessments are formally recorded on a record of assessment. Section 6203. The assessment is made by an assessment officer signing the summary record of assessment. Treas. Reg. §301.6203-1. The summary record of assessment must "provide identification of the taxpayer, the character of the liability assessed, the taxable period, if applicable, and the amount of the assessment." Id. "The date of the assessment is the date the summary record is signed." Id. There is no requirement in the statute or regulation that the assessment be recorded on a specific form or that the taxpayer be provided with a copy of the record of assessment.

Under the provisions of 26 U.S.C. §6065, ALL documents and assessments prepared both by "taxpayers" and by IRS employees, including 6020(b) Substitute For Return (SFR) assessments, MUST be signed under penalty of perjury. The title of that section says "returns", but 26 U.S.C. §7806(b) says the heading or title of a section is IRRELEVANT, and therefore only the body of the section is relevant. The IRS must therefore be able to produce an assessment with a signature under penalty of perjury which individually identifies the person against whom the assessment was instituted, and they cannot, do not, and never have been able to comply with this requirement of the code.

Furthermore, the Fair Debt Collection Practices Act (FDCPA), codified in 15 U.S.C., Chapter 41, Subchapter V, also requires that all imputed debts, whether tax related or otherwise, MUST be validated with the original debt instrument upon demand of the debtor within 30 days. This Act requires in 15 U.S.C. §1692g(a), among other things, that the debt collection has an obligation to validate any imputed debts. Tax debts constitute "debts" for the purposes of this provision, and section 3466 of the IRS Restructuring and Reform Act of 1998 makes the IRS Subject to the provisions of the Fair Debt Collection Practices Act (F.D.C.P.A.). See:

<http://famguardian.org/Publications/IRSRA98/IRSRA98.htm>

We and hundreds of others like us have requested such validation of debt signed under penalty of perjury and have not at any time been provided with validation of the debt signed under penalty of perjury by the assessment officer on a document showing the specific individual and his individual liability. None of the following typical assessment documents satisfies the requirements of the Fair Debt Collection Practices Act:

1. RACS0006 Report. Not signed and does not indicate the name of the alleged "taxpayer".
2. IRS Form 23C. Does not indicate the name of the alleged "taxpayer" and is not signed under penalty of perjury.
3. 6020(b) Certification Document, Form 13496. Not signed under penalty of perjury and signature is a computer and not a real person.
4. 1040 Substitute for Return-not signed.

No such certified validation of debt exists as required under the Fair Debt Collection Practices Act (F.D.C.P.A.), and yet the IRS Restructuring and Reform Act of 1998 makes the IRS subject to the Fair Debt Collection Practices Act. To do otherwise would be to deprive us of the "equal protection of the laws", in fact. Consequently, bogus debts are being fraudulently created, and this constitutes "peonage" and "involuntary servitude" within the meaning of the Thirteenth Amendment:

*TITLE 42 > CHAPTER 21 > SUBCHAPTER I > Sec. 1994.
Sec. 1994. - Peonage abolished*

The holding of any person to service or labor [using a W-4, for instance] under the system known as peonage is abolished [by the Thirteenth Amendment] and forever prohibited in any Territory or State of the United States; and all acts [for false tax debts], laws, resolutions, orders, regulations, or usages of any Territory or State, which have heretofore established, maintained, or enforced, or by virtue of which any attempt shall hereafter be made to establish, maintain, or enforce, directly or indirectly, the voluntary or involuntary service or labor of any persons as peons, in liquidation of any debt or obligation, or otherwise, are declared null and void

What the IRS is doing indirectly is making everyone in the American public into surety for the debts of an out-of control government that keeps growing like a cancer to destroy our liberties and which has had a balanced budget but once in the last 40 years. The Bible says that Christians CANNOT be surety for the debts of “strangers”. Our public dis-servants are “strangers” within the meaning of that requirement. To wit:

*“The rich ruleth over the poor, and the borrower [is] servant to the lender.”
[Prov. 22:7]*

*“A man devoid of understanding shakes hands in a pledge, and becomes surety for his friend.”
[Proverbs 17:18, Bible, NKJV]*

*“He who is surety for a stranger will suffer, but one who hates being surety is secure.”
[Prov. 11:15, NKJV]*

*“My son, if you become surety for your friend, if you have shaken hands in pledge for a stranger, you are snared by the words of your mouth; you are taken by the words of your mouth. So do this, my son, and deliver yourself; for you have come into the hand of your friend [slavery!]: Go and humble yourself; plead with your friend. Give no sleep to your eyes, nor slumber to your eyelids. Deliver yourself like a gazelle from the hand of the hunter; and like a bird from the hand of the fowler.”
[Prov. 6:1-5, Bible, NKJV]*

*“Owe no one anything except to love one another, for he who loves another has fulfilled the law.”
[Romans 13:8]*

*“To preserve [the] independence [of the people,] we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude. If we run into such debts as that we must be taxed in our meat and in our drink, in our necessities and our comforts, in our labors and our amusements, for our callings and our creeds, as the people of England are, our people, like them, must come to labor sixteen hours in the twenty-four, give the earnings of fifteen of these to the government for their debts and daily expenses, and the sixteenth being insufficient to afford us bread, we must live, as they now do, on oatmeal and potatoes, have no time to think, no means of calling the mismanagers to account, but be glad to obtain subsistence by hiring ourselves to rivet their chains on the necks of our fellow-sufferers.”
[Thomas Jefferson to Samuel Kercheval, 1816. ME 15:39. [Click here for original quote](#)]*

*“For the Lord your God will bless you just as He promised you; you shall lend to many nations, but you shall not borrow; you shall reign over many nations, but they shall not reign over you.”
[Deut. 15:6, Bible, NKJV]*

*“The Lord will open to you His good treasure, the heavens, to give the rain to your land in its season, and to bless all the work of your hand. You shall lend to many nations, but you shall not borrow.”
[Deut. 28:12, Bible, NKJV]*

*“You shall not charge interest to your brother--interest on money or food or anything that is lent out at interest.”
[Deut. 23:19, Bible, NKJV]*

*“To a foreigner you may charge interest, but to your brother you shall not charge interest, that the Lord your God may bless you in all to which you set your hand in the land which you are entering to possess.”
[Deut. 23:20, Bible, NKJV]*

Relevant Case Law:

Roberts v. Commissioner, 118 T.C. 365 (2002) - the petitioner in this collection due process case argued that an assessment was invalid because respondent did not use Form 23C, Assessment Certificate - Summary Record of Assessments, but instead used Revenue Accounting Control System (RACS) Report 006. The Tax Court held that there was nothing in the law to show that the use of the RACS report was not in compliance with the statute and regulation. The RACS report and the Form 23C are both signed by an assessment officer.

Nestor v. Commissioner, 118 T.C. 162 (2002) - the petitioner in this collection due process case requested production of certain documents at the hearing, including the Form 23C. The court held

that the petitioner was not entitled to production of documents and that it was not an abuse of discretion for the appeals officer to use Form 4340, Certificate of Assessments and Payments to verify the assessment, for purposes of section 6330(c)(1). The Form 23C was not required to verify the assessment.

Perez v. Commissioner, T.C. Memo. 2002-274, 84 T.C.M. (CCH) 501 (2002) - the court held that it was not an abuse of discretion for an appeals officer to rely on a MFTRA-X transcript, rather than producing or relying upon a Form 23C, for purposes of section 6330(c)(1).

2. Contention: A tax assessment is invalid because the assessment was made from a substitute for return prepared pursuant to section 6020(b), which is not a valid return

The Law: Section 6020(b)(1) provides that [i]f any person fails to make any return required by any internal revenue law or regulation made thereunder at the time prescribed therefore, or makes, willfully or otherwise, a false or fraudulent return, the Secretary shall make such return from his own knowledge and from such information as he can obtain through testimony or otherwise. Section 6020(b)(2) further provides that any return prepared pursuant to section 6020(b)(1) shall be prima facie good and sufficient for all legal purposes. See also Treas. Reg. §301.6020-1.

The IRS' own Internal Revenue Manual, in section 5.1.11.6.8, indicates the types of returns for which a Substitute for Return are authorized. Conspicuously absent from the list of authorized returns is any variant of the 1040 return. The reason that type of return is not authorized is because of Constitutional considerations, e.g. the Bill of Rights, which say that a human being cannot be required to incriminate themselves and may not be deprived of property without just compensation or a court order. Here is a link to that section:

<http://www.irs.gov/irm/part5/ch01s13.html>

Under the provisions of 26 U.S.C. §6065, all returns and other documents prepared under the authority of the I.R.C. MUST be signed under penalty of perjury. The title says "returns", but 26 U.S.C. §7806(b) makes the title irrelevant and says only the body of the statute is relevant. Under the provisions of the Privacy Act, 5 U.S.C. §552a, we have requested all Substitute for Return (SFR) documentation required to be prepared in the case of literally hundreds of people. Not one SFR we have ever seen has been signed under penalty of perjury as required under 26 U.S.C. §6065.

Under the Federal Rules of Evidence, Rule 902, all evidence upon which assessments are based must be authenticated in some way in order to be admissible as evidence. The IRS Form W-2's provided by employers are NOT so authenticated and consequently, they constitute HEARSAY EVIDENCE that is inadmissible as a basis for determining liability. The IRS NEVER contacts employers to get authentication of the W-2 reports when it is attempting an SFR assessment. The corrupted federal courts also do not hold the IRS to the same standards of evidence as the rest of us must meet in litigation against the IRS. Consequently, they are depriving us of the equal protection of the laws and prejudicing our sacred Constitution rights. They are part of the problem, not part of the solution or the remedy. Show me even ONE SFR assessment against a human being on an IRS Form 1040 that is signed under penalty of perjury. There isn't any such thing. Not even the IRS employee who did the bogus and unconstitutional assessment is named on most of the SFR 1040's.

The 6020(b) Certification Document contains a block for "taxpayer signature". The assessment doesn't become valid until the target consents to it explicitly in writing. The IRS enforces collection of these assessments without the consent of the target of them, and therefore is subjecting the targets to peonage and involuntary servitude. All of the SFR documentation we have seen is constructively fraudulent. The unsigned SFR 1040's prepared illegally by the IRS and the bogus "Notice of Tax Liens" that result from them constitute "financial securities". In fact, the bogus "Notice of Federal Tax Lien", IRS Form 668(Y)(c) must be signed by a judge under the requirements of the Fifth Amendment and NEVER are. Instead, they are illegally sold as fraudulent securities by the IRS to unscrupulous investors on the open market. Nothing but theft and extortion is the result because these bogus securities are used by thieves and vultures as an excuse to STEAL the entire home and all the equity from what amount to law-abiding citizens. Is THIS what you call JUSTICE? Our government has become a PREDATOR, not a PROTECTOR of our God-given constitutional rights to property.

The Bible does NOT allow Christians to cooperate with such illegal extortion and robbery, or to allow the government to become a false god and a religion that we must pay "tithes" called "taxes" to in violation of the Constitution and enacted federal law. This is idolatry, not taxation.

"Away with you , Satan! For it is written, 'You shall worship the Lord your God, and Him ONLY [NOT the government!] you shall serve [with your labor or your earnings from labor].'"
[Jesus in Matt. 4:10, Bible, NKJV]

"You were bought at a price; do not become slaves of men [and remember that governments are made up exclusively of men]."
[1 Cor. 7:23, Bible, NKJV]

"Stand fast therefore in the liberty wherewith Christ hath made us free, and be not entangled again with the yoke of bondage [to the government or the income tax or the IRS or federal statutes that are not "positive law" and do not have jurisdiction over us]."
[Galatians 5:1, Bible, NKJV]

For details on why the IRS Substitute for Returns are assessments but carry no liability in the case of IRS Form 1040, see:

Why the Government Can't Lawfully Assess Human Beings With an Income Tax Liability Without Their Consent, Form #05.011
<http://sedm.org/Forms/FormIndex.htm>

Relevant Case Law:

United States v. Updegrave, 97-1 U.S.T.C. & 50,465 (E.D. Pa. 1997) - the taxpayer argued that tax assessments may only be calculated from tax returns filed by the taxpayer and that an inferior agent of the IRS may not file substitute returns for the taxpayer. The court rejected this argument as "utterly meritless." The court recognized that section 6020(b) authorizes the IRS to file substitute returns on behalf of taxpayers who fail to voluntarily file returns and that the substitute return "shall be prima facie good for all legal purposes." Section 6020(b)(1) and (2). The court stated that a taxpayer may not stymie the IRS's collection of taxes by refusing to file a tax return. The court also held that, while section 6020 authorizes the Secretary of the Treasury to prepare substitute returns, such authority has been delegated down to the District Director or any authorized IRS officer or employee. Accordingly, the substitute return and the assessments in this case were properly made by an employee of the IRS in accordance with the Internal Revenue Code.

Holland v. La. Secretary of Revenue and Taxation, 97-1 U.S.T.C. & 50,403 (W.D. La. 1997) - the court rejected the taxpayer's argument that section 6020 does not apply to income taxes. The court further found that section 6065, requiring that a return be verified by a declaration under penalty of perjury, does not apply to section 6020(b) returns.

B. Invalidity of the Statutory Notice of Deficiency

1. Contention: A statutory notice of deficiency is invalid because it was not signed by the Secretary of the Treasury or by someone with delegated authority

The Law: Section 6212(a) provides the authority for the Secretary to send notices of deficiency to taxpayers. Section 7701(a)(11)(B) defines [Secretary to include the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines the term "delegate", as used with respect to the Secretary of the Treasury, to mean any officer, employee, or agency of the Treasury Department duly authorized by the Secretary directly, or indirectly by redelegation of authority, to perform a certain function. There is no statutory requirement that the notice of deficiency be signed.

Relevant Case Law:

Nestor v. Commissioner, 118 T.C. 162 (2002) - in this collection due process case, the Tax Court held that the Secretary's authority to issue statutory notices of deficiency has been delegated to district directors and service center directors.

Michael v. Commissioner, T.C. Memo. 2003-26, 85 T.C.M. (CCH) 803 (2003) - the petitioner contested the validity of a notice of deficiency signed by a service center director. The court rejected this argument as frivolous.

2. Contention: A statutory notice of deficiency is invalid because the taxpayer did not file an income tax return

The Law: Section 6211(a) defines “deficiency” as the amount by which the tax imposed by subtitle A or B (including income, estate, and gift taxes), or chapter 41, 42, 43, 44 (excise taxes) exceeds the excess of the sum of the amount shown as the tax by the taxpayer upon his return (if return made and amount shown thereon) plus any amounts previously assessed (or collected without assessment) as a deficiency, over the amount of rebates, as defined in section 6211(b)(2), made. In accordance with this definition, a taxpayer’s failure to report tax on a return does not prevent the Service from determining a deficiency in his federal income tax and issuing a notice of deficiency, pursuant to section 6212(a).

Relevant Case Law:

Robinson v. Commissioner, T.C. Memo. 2002-316, 84 T.C.M. (CCH) 694 (2002) - the court found the petitioner liable for the section 6673(a) penalty in this case where petitioner argued, among other frivolous arguments, that the Service was not authorized to determine a deficiency for a taxpayer who has not filed a return.

C. Invalidity of Notice of Federal Tax Lien

1. Contention: A notice of federal tax lien is invalid because it is unsigned

The Law: The form and content of the notice of federal tax lien is controlled by federal law. Section 6323(f)(3) provides that the form and content of the notice of federal tax lien shall be prescribed by the Secretary and shall be valid notwithstanding any other provision of law regarding the form or content of a notice of lien. Treas. Reg. §301.6323(f)-1(d) further provides that the notice of federal tax lien is filed on a Form 668, which must identify the taxpayer, the tax liability giving rise to the lien, and the date the assessment arose. There is no requirement in the statute or regulation that the notice of federal tax lien be signed.

A valid “lien” under the Constitution requires the signature of a judge to meet the requirements of the Fifth Amendment. The Notice of Federal Tax Lien was originally intended to be a method of notifying the recipient that a legal proceeding had issued such a claim upon the property of the target of the lien. The only satisfactory evidence of a perfected claim upon the property of a person is what is called an “Abstract of Judgment”, which is signed by the clerk of the court summarizing the judgment that was signed by the judge. The “Notice of Federal Tax Lien” cannot and should not be issued until an Abstract of Judgment is obtained by the IRS. In practice, this requirement is NEVER honored by the IRS, which results in a violation of the Fifth Amendment. Consequently, a “Notice of Federal Tax Lien”, IRS Form 668(Y)(c) issued without an accompanying “Abstract of Judgment” cannot and should not be honored by the recipient. Any recipient who does honor it is opening themselves up to civil liability and a tort. This includes county records, title companies, attorneys, etc. Federal law cannot and does not protect parties who engage in such tortious activities because federal law has NOT JURISDICTION within states of the Union.

*“It is no longer open to question that the general [federal] government, unlike the states, Hammer v. Dagenhart, 247 U.S. 251, 275, 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.”
[Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]*

Relevant Case Law:

United States v. Union Cent. Life Ins. Co., 368 U.S. 291, 294 (1961) - the Supreme Court held that the form used for filing a federal tax lien does not have to comply with an additional state law

requirement that it describe the property affected, although the lien did have to be filed in a designated state office.

Tolotti v. Commissioner, T.C. Memo. 2002-86, 83 T.C.M. (CCH) 1436 (2002) - in this collection due process case, the court upheld the validity of a notice of federal tax lien filed on Form 668(Y) and bearing a facsimile signature, although the lien was not certified as required by Nevada statute. The court noted that it is "well-settled that the form and content of the notice of federal tax lien is controlled by federal, not state, law."

2. Contention: The form or content of a notice of federal tax lien is controlled by or subject to a state or local law, and a notice of federal tax lien that does not comply in form or content with a state or local law is invalid

The Law: The form and content of the notice of federal tax lien is controlled by federal law. the form and content of the notice of federal tax lien shall be prescribed by the Secretary and shall be valid notwithstanding any other provision of law regarding the form or content of a notice of lien. I.R.C. §6323(f)(3). The notice of federal tax lien must be filed on a Form 668, Notice of Federal Tax Lien Under Internal Revenue Laws, and must identify the taxpayer, the tax liability giving rise to the lien, and the date the assessment arose. Treas. Reg. §301.6323(f)-1(d).

Which law governs the filing of such notices is determined by the character of the property at issue. If it is PRIVATE property protected by the Constitution, state law governs. If it is PUBLIC property of the national government under Article 4, Section 3, Clause 2 that is at issue, then federal law governs.

"The Constitution permits Congress to dispose of and to make all needful rules and regulations respecting the territory or other property belonging to the United States. This power applies as well to territory belonging to the United States within the States, as beyond them. It comprehends all the public domain, wherever it may be. The argument is, that the power to make 'ALL needful rules and regulations' 'is a power of legislation,' 'a full legislative power;' 'that it includes all subjects of legislation in the territory,' and is without any limitations, except the positive prohibitions which affect all the powers of Congress. Congress may then regulate or prohibit slavery upon the public domain within the new States, and such a prohibition would permanently affect the capacity of a slave, whose master might carry him to it. And why not? Because no power has been conferred on Congress. This is a conclusion universally admitted. But the power to 'make rules and regulations respecting the territory' is not restrained by State lines, nor are there any constitutional prohibitions upon its exercise in the domain of the United States within the States; and whatever rules and regulations respecting territory Congress may constitutionally make are supreme, and are not dependent on the situs of 'the territory.'"
[Dred Scott v. Sandford, 60 U.S. 393, 509-510 (1856)]

The owner of the property determines who gets to make rules or laws for it. That is the nature of legal ownership itself. These concepts are behind what is called "choice of law" in the legal field, and also behind 28 U.S.C. §1652 which implements it, in fact:

[TITLE 28 > PART V > CHAPTER 111 > § 1652](#)
[§ 1652. State laws as rules of decision](#)

The laws of the several states, except where the Constitution or treaties of the United States or Acts of Congress otherwise require or provide, shall be regarded as rules of decision in civil actions in the courts of the United States, in cases where they apply.

Taxation itself, in fact, is the process of converting ownership of PRIVATE property to PUBLIC property. That conversion MUST be lawful and consensual. The rules for making that conversion are documented in:

[Separation Between Public and Private Course](#), Form #12.025
<https://sedm.org/LibertyU/SeparatingPublicPrivate.pdf>

IRS NEVER satisfies the above rules and would be completely embarrassed in front of a jury if they had to. Before federal law may be invoked, the government as the moving party instituting the enforcement has the burden of showing that the ownership of the property was lawfully and consensually converted from PRIVATE to PUBLIC. Without satisfying that burden of proof BEFORE invoking ANY federal statute, then state law STILL applies, per 28 U.S.C. §1652. Choice of law rules are further discussed in :

PRIVATE property is protected by the Constitution and the common law. PUBLIC property is protected and regulated by statutes. Property is either PRIVATE or PUBLIC but can NEVER be both. We define “PRIVATE” as follows:

SEDM Disclaimer
4. Meaning of Words

The word "private" when it appears in front of other entity names such as "person", "individual", "business", "employee", "employer", etc. shall imply that the entity is:

- 1. In possession of absolute, exclusive ownership and control over their own labor, body, and all their property. In Roman Law this was called "dominium".*
- 2. On an EQUAL rather than inferior relationship to government in court. This means that they have no obligations to any government OTHER than possibly the duty to serve on jury and vote upon voluntary acceptance of the obligations of the civil status of "citizen" (and the DOMICILE that creates it). Otherwise, they are entirely free and unregulated unless and until they INJURE the equal rights of another under the common law.*
- 3. A "nonresident" in relation to the state and federal government.*
- 4. Not a PUBLIC entity defined within any state or federal statutory law. This includes but is not limited to statutory "person", "individual", "taxpayer", "driver", "spouse" under any under any civil statute or franchise.*
- 5. Not engaged in a public office or "trade or business" (per 26 U.S.C. §7701(a)(26)). Such offices include but are not limited to statutory "person", "individual", "taxpayer", "driver", "spouse" under any civil statute or franchise.*
- 6. Not consenting to contract with or acquire any public status, public privilege, or public right under any state or federal franchise. For instance, the phrase "private employee" means a common law worker that is NOT the statutory "employee" defined within 26 U.S.C. §3401(c) or 26 C.F.R. §301.3401(c)-1 or any other federal or state law or statute.*
- 7. Not sharing ownership or control of their body or property with anyone, and especially a government. In other words, ownership is not "qualified" but "absolute".*
- 8. Not subject to civil enforcement or regulation of any kind, except AFTER an injury to the equal rights of others has occurred. Preventive rather than corrective regulation is an unlawful taking of property according to the Fifth Amendment takings clause.*

Every attempt by anyone in government to alienate rights that the Declaration of Independence says are UNALIENABLE shall also be treated as "PRIVATE BUSINESS ACTIVITY" that cannot be protected by sovereign, official, or judicial immunity. So called "government" cannot make a profitable business or franchise out of alienating inalienable rights without ceasing to be a classical/de jure government and instead becoming in effect an economic terrorist and de facto government in violation of Article 4, Section 4.

*"No servant [or government or biological person] can serve **two masters**; for either he will hate the one and love the other, or else he will be loyal to the one and despise the other.
You cannot serve God and mammon [government]."
[Luke 16:13, Bible, NKJV]*

[SEDM Disclaimer, Section 4: Meaning of Words; SOURCE: <http://sedm.org/disclaimer.htm>]

The “rules” we insist on for any attempt by any government or the IRS to convert, tax, assess, or control OUR PRIVATE property are documented in:

Injury Defense Franchise and Agreement, Form #06.027
<https://sedm.org/Forms/06-AvoidingFranch/InjuryDefenseFranchise.pdf>

Any attempt undermine or criticize OUR equal right to make rules respecting our own PRIVATE property is a violation of constitutional requirement for equal protection and equal treatment as documented in:

Requirement for Equal Protection and Equal Treatment, Form #05.033
<https://sedm.org/Forms/05-MemLaw/EqualProtection.pdf>

Relevant Case Law:

United States v. Union Cent. Life Ins. Co., 368 U.S. 291 (1961) – the Supreme Court held that the form used for filing a federal tax lien does not have to comply with an additional state law requirement that it describe the property affected, although the lien did have to be filed in a designated state office.

Tolotti v. Commissioner, T.C. Memo. 2002-86, 83 T.C.M. (CCH) 1436 (2002), aff'd, 70 F. App'x 971 (9th Cir. 2003) - in upholding the validity of a notice of federal tax lien filed even though the lien was not certified pursuant to a Nevada statute, the court noted that it is "well settled" that the form and content of the notice of federal tax lien is controlled by federal, not state, law.

D. Invalidity of Collection Due Process Notice

1. Contention: A collection due process notice (Letter 1058, LT-11 or LT-3172) is invalid because it is not signed by the Secretary or his delegate

The Law: Section 6320(a)(1) provides that the Secretary shall notify a taxpayer in writing of the filing of a notice of federal tax lien, pursuant to section 6323, advising the taxpayer of the right to request a collection due process hearing. Section 6330(a)(1) provides that no levy may be made on any property or rights to property of any person unless the Secretary has notified such person of his or her right to a collection due process hearing before levy. There is no requirement for a signature on the collection due process notice in the statute or regulations.

Section 7701(a)(11)(B) defines "Secretary" to include the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines the term "delegate" , as used with respect to the Secretary of the Treasury, to mean any officer, employee, or agency of the Treasury Department duly authorized by the Secretary directly, or indirectly by redelegation of authority, to perform a certain function. Section 7803(a)(2) provides general authority for the Commissioner of Internal Revenue, as prescribed by the Secretary. Treas. Reg. §§301.6320-1(a)(1) and 301.6330-1(a)(1) further provide that the Commissioner, or his or her delegate, will prescribe procedures to provide notice of the right to request a collection due process hearing. See, e.g., Delegation Order 191 (Rev. 3), effective June 11, 2001 (redelegation of authority with respect to levy notices).

Relevant Case Law:

Craig v. Commissioner, 119 T.C. 252 (2002) - the court held that for purposes of section 6330(a), either the Secretary or his delegate (e.g., the Commissioner) may issue a final notice of intent to levy. In this case, the authority to levy was delegated to the Automated Collection Branch Chiefs pursuant to Delegation Order No. 191 (Rev. 2), effective October 1, 1999. Accordingly, the notice of intent to levy was valid.

Hodgson v. Commissioner, T.C. Memo. 2003-122, 85 T.C.M. (CCH) 1232 (2003) - taxpayer alleged that respondent's determination was lawless and erroneous for numerous reasons, including the fact that the section 6320 lien notice was not signed by the Secretary or his delegate. The court held that the allegations were frivolous and without any merit, and declined to address them. The court found the taxpayer liable for a section 6673(a) penalty.

2. Contention: A collection due process notice is invalid because no certificate of assessment is attached

The Law: Sections 6320(a)(3) and 6330(a)(3) list the information required to be included with the collection due process notice, such as the amount of unpaid tax, the right of the person to request a collection due process hearing, administrative appeals available, and the provisions of the Internal Revenue Code and procedures pertaining to the notice of federal tax lien or levy. See also Treas. Reg. §301.6320-1(a)(2), Q&A A10, and §301.6330-1(a)(3), Q&A A6. There is no requirement in the statute or regulations that a certificate of assessment be attached to the collection due process notice.

E. Verification Given as Required by I.R.C. 6330(c)(1)

1. Contention: Verification requires the production of certain documents

The Law: Pursuant to sections 6320(c) and 6330(c)(1), at a collection due process hearing, the appeals officer is required to obtain verification from the Secretary that the requirements of any applicable law or administrative procedure have been met. Section 6330(c)(1) does not require the appeals officer to rely upon a particular document (e.g., the summary record of assessment) to satisfy the verification requirement. Section 6330(c)(1) also does not require the appeals officer to give the taxpayer a copy of the verification upon which the appeals officer relied. See also Treas. Reg. §§301.6320-1(e)(1) and 301.6330-1(e)(1). There is no requirement in the statute or regulations that the taxpayer be provided with any documents as a part of the verification process. As a matter of practice, however, the taxpayer will be provided with a transcript of account such as a Form 4340 or MFTRA-X computer transcript. Transcripts such as the Form 4340 or MFTRA-X, which identify the taxpayer, the character of the liability assessed, the taxable period and the amount of the assessment, are sufficient to show the validity of an assessment, absent a showing of irregularity.

Relevant Case Law:

Craig v. Commissioner, 119 T.C. 252 (2002) - the court held that section 6330(c)(1) does not require the appeals officer to rely upon a particular document, such as the summary record of assessment, in order to satisfy the verification requirement of section 6330(c)(1). Nor does it mandate that the appeals officer actually provide the taxpayer with a copy of the verification upon which the appeals officer relied. Taxpayer was provided with Forms 4340, and did not demonstrate the invalidity of the assessment or any of the information contained in the Forms 4340.

Nestor v. Commissioner, 118 T.C. 162 (2002) - appeals officer's review of Forms 4340 is sufficient to meet the verification requirement in section 6330(c)(1). Actual production of documents is not required.

Davis v. Commissioner, 115 T.C. 35 (2000) - appeals officer did not abuse his discretion in relying on a Form 4340 to verify the validity of an assessment, where the taxpayer can point to no evidence of irregularity in the assessment process.

Standifird v. Commissioner, T.C. Memo. 2002-245, 84 T.C.M. (CCH) 371 (2002) - MFTRA-X transcript may be used for verification.

Schroeder v. Commissioner, T.C. Memo. 2002-190, 84 T.C.M. (CCH) 141 (2002) - TXMOD-A transcript is sufficient for verification.

Wagner v. Commissioner, T.C. Memo. 2002-180, 84 T.C.M. (CCH) 96 (2002) - Individual Master File Martinsburg Computing Center Transcript is sufficient for verification.

F. Invalidity of Statutory Notice and Demand

1. Contention: A notice and demand is invalid because it is not signed, it is not the correct form (such as Form 17), or because no certificate of assessment is attached

The Law: Section 6303(a) provides that the Secretary shall, as soon as practicable, and within 60 days, after the making of an assessment pursuant to section 6203, give notice to each person liable for the unpaid tax, stating the amount and demanding payment thereof. This notice is to be left at the dwelling or usual place of business of such person, or shall be mailed to such person's last known address. See also Treas. Reg. §301.6303-1(a) (failure to give notice within 60 days does not invalidate notice). Notice and demand is sufficient for purposes of section 6303 as long as it states the amount due and makes demand for payment. There is no requirement in the statute or regulation that the notice and demand be made on a specific form, have a signature, or include any specific attachments.

Relevant Case Law:

Craig v. Commissioner, 119 T.C. 252 (2002) - numerous notices received by petitioner, such as notices of intent to levy and notices of deficiency, were sufficient to meet the requirements of section 6303(a). The form on which notice of assessment and demand for payment is made is irrelevant, as long as it provides the taxpayer with the information specified in section 6303(a).

Keene v. Commissioner, T.C. Memo. 2002-277, 84 T.C.M. (CCH) 514 (2002) - notices such as final notice of intent to levy and Forms 4340 are sufficient to constitute notice and demand within the meaning of section 6303(a) because they informed petitioner of the amount owed and requested payment. The court rejected petitioner's argument as frivolous and groundless that a notice and demand for payment was not in accord with a Treasury decision issued in 1914 that required a Form 17 be used for such purpose.

G. Tax Court Authority

1. Contention: The Tax Court does not have the authority to decide legal issues

The Law: The United States Tax Court is a federal court of record established by Congress under Article I of the United States Constitution. Congress created the Tax Court to provide a judicial forum in which affected persons could dispute tax deficiencies prior to payment of the disputed amount. The jurisdiction of the Tax Court includes the authority to hear tax disputes concerning notices of deficiency, notices of transferee liability, certain types of declaratory judgment, readjustment and adjustment of partnership items, review of the failure to abate interest, administrative costs, worker classification, relief from joint and severable liability on a joint return, and review of collection due process actions.

Section 7441 provides that "[t]here is hereby established, under article I of the Constitution of the United States, a court of record to be known as the United States Tax Court. The members of the Tax Court shall be the chief judge and the judges of the Tax Court." Section 7442 provides "[t]he Tax Court and its divisions shall have such jurisdiction as is conferred on them by this title, by Chapters 1, 2, 3, and 4 of the Internal Revenue Code of 1939, by title II and title III of the Revenue Act of 1926 (44 Stat. 10-87), or by laws enacted subsequent to February 26, 1926." See also sections 7443-7448.

The U.S. Tax Court is a legislative franchise court whose judges are appointed for a limited tenure of 15 years under the authority of 26 U.S.C. §7443(e). Below is what the U.S. Supreme Court says about such a legislative, rather than "Constitutional" or "Judicial" court:

"As the only judicial power vested in Congress is to create courts whose judges shall hold their offices during good behavior, it necessarily follows that, if Congress authorizes the creation of courts and the appointment of judges for limited time, it must act independently of the Constitution upon territory which is not part of the United States within the meaning of the Constitution."

[O'Donoghue v. United States, 289 U.S. 516, 53 S.Ct. 740 (1933)]

The U.S. Tax Court is a part of the Executive Branch of the government, not the Judicial Branch. It is an essentially the equivalent of an administrative office building under the control of the president, not the Judicial Branch. Consequently, the Tax Court may only rule over tax issues relating to the federal zone, consisting of federal territories, possessions, and the District of Columbia and NOT over issues relating to Constitutional rights. Most Americans DO NOT live in the federal zone, and signing a W-4 under duress or filing the wrong tax form, the 1040 form, and thereby indicating indirectly that they live there, doesn't change that fact. Therefore, no one can be compelled to use the Tax Court. The Tax Court is not a court, but an administrative appeal unit based out of Washington, D.C. The "judges", who in most cases are former IRS employees, travel around the country hearing cases that ignorant people like you VOLUNTEER and request of them. It is pure stupidity to volunteer to have your case heard by a former IRS employee who has a financial conflict of interest in violation of 18 U.S.C. §208, and whose benefits derive from the very payments which are at issue in the proceeding. It is a kangaroo court, and originally wasn't even called a "court", but an appeals board.

Within U.S. Tax Court, the only burden of proof imposed upon the Secretary of the Treasury is to demonstrate that the defendant is a “transferee” under 26 U.S.C. §6902(a). One must be engaged in a “trade or business”, which is a “public office” under 26 U.S.C. §7701(a)(26), in order to meet this requirement, which is further described in 26 U.S.C. §6901(a)(1)(A)(i) and later in the questions, Part C at the end. This means that the defendant in tax court must have voluntarily filed a W-4 or filed the wrong return, the 1040 form, and indicated a nonzero liability. The only people who earn “gross income” on a 1040 are those in receipt of earnings “effectively connected with a trade or business”. The 1040NR form is the correct return to use for most Americans. If you don’t meet either of these two criteria of voluntarily submitting a W-4 or 1040, and did not avail yourselves of any deductions, earned income credits, or a graduated rates of tax, then you are not “effectively connected with a trade or business” and therefore cannot entertain your suit in a U.S. Tax Court. Furthermore, if you make this fact plain to the “kangaroo judge” in Tax Court, he will have to dismiss your case for lack of jurisdiction. For further information about why Tax Court is a TRAP with a capital “T”, read the following article:

<http://famguardian.org/Subjects/Taxes/ChallJurisdiction/WhyMostPeopleLoseInTaxCourt.pdf>

For an exhaustive analysis of why the U.S. Tax Court is a legislative franchise court established pursuant to Article I of the Constitution, why it is available ONLY for “taxpayers”, and why you must declare yourself to be a franchisee called a “taxpayer” before you can even lawfully petition the court, and why “nontaxpayers” cannot use this court without committing the crime of impersonating a public officer in violation of 18 U.S.C. §912, see:

The Tax Court Scam, Form #05.039

<http://sedm.org/Forms/FormIndex.htm>

Relevant Case Law:

Freytag v. Commissioner, 501 U.S. 868 (1991) - petitioners alleged that the adjudication of their case by a special trial judge was not authorized by section 7443A, and that the reassignment violated the appointments clause of U.S. Const. art. II, §2, cl. 2. The court of appeals rejected petitioners' claims and affirmed. The Supreme Court granted certiorari and affirmed, holding that section 7443A(b)(4) authorized the chief judge's assignment of petitioners' cases to the special trial judge. The Court further concluded that the special trial judge's appointment did not violate the Appointments Clause because the Tax Court's role in the federal judicial scheme closely resembled that of Article I courts, which were given appointment power by the United States Constitution.

Burns, Stix Friedman & Co., Inc. v. Commissioner, 57 T.C. 392 (1971) - petitioner sought review of income tax deficiencies, prior to the effective date of the Tax Reform Act of 1969 (the Act), Pub. L. 91-172. The petitioner contended that Congress exceeded its authority in creating the court as a court of record under U.S. Const. art I without regard to the sanctions of art. III. The court held that the provisions in the Act that removed the court from the executive branch, made the court a court of record, gave the court the power to punish for contempt, made review of the court's decisions by appeal rather than by petition for review, and simply recognized the court as a "court," was within Congress' authority without reliance upon U.S. Const. art. III.

Knighten v. Commissioner, 705 F.2d. 777 (5th Cir. 1983) - petitioner argued that, as a court created under Article I of the Constitution, the Tax Court could not hear any cases that could be heard by Article III courts. The court held that this contention was frivolous and that the argument that the Tax Court violates Article III has been repeatedly rejected.

Martin v. Commissioner, 358 F.2d. 63 (7th Cir. 1966) - petitioners' contention that the Tax Court is without a valid constitutional existence lacks substance and merit.

H. Challenges to the Authority of IRS Employees

1. Contention: Revenue Officers are not authorized to seize property in satisfaction of unpaid taxes

The Law: Section 6331(a) provides that “[i]f any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect

such tax ... by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax.” Section 6331(b) provides that the term levy includes the power of distraint and seizure by any means. In any case in which the Secretary may levy upon property or property rights, he may also seize and sell such property or property rights. Section 6331(b).

The liar and thief who wrote the above paragraph conveniently left out the most important language within 26 U.S.C. §6331(a), which says in pertinent part:

TITLE 26 > Subtitle F > CHAPTER 64 > Subchapter D > PART II > § 6331
[§ 6331. Levy and distraint](#)

(a) Authority of Secretary

... Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official...

That same language above is also “conveniently” omitted from the back of the “Notice of Levy”, IRS Form 668-A(c)(DO). The reason the Internal Revenue Service (IRS) omits it is because they don’t want to admit that they can only levy the earnings of a federal employee and NO ONE else. This is confirmed by the following observations:

1. The IRS can only issue a “Notice of Levy” against federal employees without implementing regulations, as required by, [5 U.S.C. §553\(a\)\(2\)](#), 26 C.F.R. §601.702(a)(1), 31 C.F.R. §1.3(a)(4), and [44 U.S.C. §1505\(a\)\(1\)](#).
2. The Notice of Levy Form, IRS Form 668-A(c)(DO), does not have a valid OMB Control number. Under the provisions of the Paperwork Reduction Act (P.R.A.), this form may only be used within the government and may NOT be issued to the general public. The general public is also told in the act that such a form may safely be disregarded and is “bogus” if issued without a valid OMB control number.

Section 7701(a)(11)(B) defines “Secretary” to include the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines the term “delegate,” as used with respect to the Secretary of the Treasury, to mean any officer, employee, or agency of the Treasury Department duly authorized by the Secretary directly, or indirectly by redelegation of authority, to perform a certain function. See Treas. Reg. §301.6331-1(a)(1) (district director is authorized to levy). See e.g., Delegation Order 191 (Rev. 3), effective June 11, 2001 (redelegation of authority with respect to levies to revenue officers and other Service employees).

Relevant Case Law:

Craig v. Commissioner, 119 T.C. 252 (2002) - the authority to levy on petitioner’s property was delegated to Automated Collection Branch Chiefs pursuant to Delegation Order No. 191 (Rev. 2), effective October 1, 1999.

2. Contention: IRS employees lack credentials. For example, they have no pocket commission or the wrong color identification badge

The Law: The authority of IRS employees is derived from Internal Code provisions, Treasury Regulations, and other redelegations of authority (such as delegation orders). See the previous discussion on the authority of revenue officers to seize property. The authority of IRS employees is not contingent upon such criteria as possession of a pocket commission or a specific type of identification badge.

Notice they didn’t directly address the real issue, which isn’t “authority” but “enforcement authority”. IRS Pocket Commissions are issued in two varieties:

1. Enforcement, which is black in color and has an “E” in the serial number;
2. Administrative, which is red in color and has an “A” in the serial number.

IRS employees may not involve themselves in enforcement actions if they do not have a black enforcement pocket commission. The reason is clear: Enforcement personnel must be “bonded” in case they make a mistake. If they make mistakes too frequently, no one will sell them a bond and they have to be fired. This means that IRS personnel who have only Administrative pocket commissions (with an “A” in the serial number) cannot lien, levy, or seize property without first being issued an enforcement pocket commission. If they violate this requirement, they are personally liable for a tort. These constraints are described in the IRS Internal Revenue Manual (I.R.M.), Section 1.16.6 available at:

<http://www.irs.gov/irm/part1/ch13s06.html>

Even excluding all the above constraints, under the provisions of 26 U.S.C. §7601(a), IRS employees WITH an enforcement pocket commission may not enforce outside of appropriately designated Internal Revenue Districts. As a result of the IRS Restructuring and Reform Act of 1998, all Internal Revenue Districts EXCEPT for the District of Columbia were eliminated. This is confirmed by examining Treasury Order 150-02 (Item 18) at:

<http://www.ustreas.gov/regs/to150-02.htm>

Treasury Order 150-01, described all the Internal Revenue Districts, and was abolished by Treasury Order 150-01. Consequently, there are NO DISTRICTS left except in the District of Columbia. Consequently, no enforcement authority exists for the Internal Revenue Code outside of the District of Columbia. Do you live in the District of Columbia and is your real property, against whom “Notice of Federal Tax Liens” is issued, or is your private employer against whom “Notice of Levies” are delivered located in the District of Columbia? Did your private employer ever knowingly consent to be treated in law as a “resident” of the District of Columbia under the provisions of 26 U.S.C. §7701(a)(39)? These weasels are slippery, aren’t they?

Relevant Case Law:

Gunselman v. Commissioner, T.C. Memo. 2003-11, 85 T.C.M. (CCH) 756 (2003) - appeals officer at collection due process hearing does not have to produce enforcement pocket commission for himself or for the Service employee who signed the notice of lien filing.

3. Contention: Certain employees in the IRS Office of Appeals are not authorized to conduct collection due process hearings

The Law: Hearings must be conducted by an officer or employee in the Internal Revenue Service Office of Appeals who has had no prior involvement with respect to the same unpaid tax. I.R.C. §§6320(b)(3) and 6330(b)(3). The statute does not specify that any particular category or officer conduct the hearing.

Relevant Case Law:

Tucker v. Commissioner, 135 T.C. 114, 155 (2010), aff’d, 676 F.3d 1129 (2012), cert. denied, 133 S.Ct. 646 (2012) – the Tax Court held that “an ‘appeals officer’ is any ‘officer or employee’ in the IRS Office of Appeals to whom is assigned the task of conducting a CDP hearing under section 6330(b)(3).” The D.C. Circuit affirmed the Tax Court’s holding that such officers or employees are not inferior officers for purposes of the Appointments clause of the United States Constitution, and so are properly hired by the Commissioner of the Internal Revenue pursuant to section 7804(a).

I. Use of Unauthorized Representatives

1. Contention: Taxpayers are entitled to be represented at hearings, such as collection due process hearings, and in court, by persons without valid powers of attorney

The Law: Section 330 of Title 31 of the United States Code authorizes the Secretary of the Treasury to regulate the practice of representatives before the Treasury Department and, after notice and an opportunity for a proceeding, to suspend or disbar from practice before the Treasury Department

those representatives who are incompetent, disreputable, or who violate regulations prescribed under section 330. Pursuant to section 330, the Secretary, in Circular No. 230 (31 C.F.R. part 10), published regulations that authorize the Director, Office of Professional Responsibility, to act upon applications for enrollment to practice before the Service, to make inquiries with respect to matters under the Director's jurisdiction, and to perform such other duties as are necessary to carry out these functions. The regulations were most recently amended on July 26, 2002 (T.D. 9011, 2002-33 I.R.B. 356 [67 FR 48760]) to clarify the general standards of practice before the Service. Pursuant to Circular No. 230, a representative must be an attorney in good standing, a certified professional accountant, or an enrolled tax return preparer in good standing. Attorneys and non-attorneys are only entitled to practice before the United States Tax Court upon application and admission to practice, pursuant to Tax Court Rule of Practice and Procedure 200.

Relevant Case Law:

Young v. Commissioner, T.C. Memo. 2003-6, 85 T.C.M. (CCH) 739 (2003) - third party was not entitled to represent taxpayer in a collection due process hearing because of non-compliance with Circular No. 230.

Katz v. Commissioner, 115 T.C. 329 (2000) - collection due process hearings are informal, with no right to summons witnesses.

J. No Authorization Under I.R.C. 7401 to Bring Action

1. Contention: The Secretary has not authorized an action for the collection of taxes and penalties or the Attorney General has not directed an action be commenced for the collection of taxes and penalties

The Law: Section 7401 provides that "[n]o civil action for the collection or recovery of taxes, or of any fine, penalty, or forfeiture, shall be commenced unless the Secretary authorizes or sanctions the proceedings and the Attorney General or his delegate directs that the action be commenced." Treas. Reg. §301.7401-1(a) further provides that such action must be authorized by the Commissioner (or the Director, Alcohol, Tobacco and Firearms Division, with respect to subtitle E of the Code), or Chief Counsel for the Internal Revenue Service or his delegate, and such action must be commenced by the Attorney General or his delegate.

Section 7701(a)(11)(B) defines "Secretary" to include the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines the term "delegate," as used with respect to the Secretary of the Treasury, to mean any officer, employee, or agency of the Treasury Department duly authorized by the Secretary directly, or indirectly by redelegation of authority, to perform a certain function. Section 7803(a)(2) provides general authority for the Commissioner of Internal Revenue, as prescribed by the Secretary.

The Attorney General is the head of the Department of Justice, appointed by the President. 28 U.S.C. §503. The Attorney General may from time to time make such provisions as he or she deems appropriate delegating authority to any other officer, employee, or agency of the Department of Justice. 28 U.S.C. §510. See 28 U.S.C. §§501-530D.

Relevant Case Law:

Perez v. United States, 2001-2 U.S.T.C. & 50,735 (W.D.Tex. 2001) - plaintiff requested the court to dismiss defendant's counterclaim because defendant did not attach a certified copy of the document in which the Attorney General or a United States Attorney authorized a cause of action against plaintiff, pursuant to section 7401. The court held that section 7401 does not require production of such document. Courts may ordinarily presume that the United States complied with section 7401 and obtained proper authorization to commence an action for the collection of taxes. However, since the plaintiff contested such compliance, the United States had to show that the counterclaim was in fact authorized. The court held that the United States demonstrated compliance with section 7401

by producing a letter from the Office of Chief Counsel for the Internal Revenue Service to a United States Attorney and a declaration from the counsel of record for the United States.

United States v. Bodwell, 96-2 U.S.T.C. & 50,592 (E.D. Cal. 1996) - the court noted that the defendant's argument that this suit was not authorized because section 7401 is rooted in the Federal Regulations concerning the Bureau of Alcohol, Tobacco and Firearms has been "[flatly rejected] by the Ninth Circuit."

United States v. Nuttall, 713 F.Supp. 132 (D. Del. 1989) - affidavit from the Chief, Civil Trial Section, Central Region, Tax Division, United States Department of Justice attached to government's summary judgment motion established authorization of the Secretary of the Treasury/Internal Revenue Service. Department of Justice Tax Division Memorandum No. 83-19, dated May 5, 1983, also attached, established authorization by the Attorney General to commence the action.

III. PENALTIES FOR PURSUING FRIVOLOUS TAX ARGUMENTS

Those who act on frivolous positions risk a variety of civil and criminal penalties. Those who adopt these positions may face harsher consequences than those who merely promote them. As the Seventh Circuit Court of Appeals noted in United States v. Sloan, 939 F.2d. 499, 499-500 (7th Cir. 1991), "Like moths to a flame, some people find themselves irresistibly drawn to the tax protestor movement's illusory claim that there is no legal requirement to pay federal income tax. And, like moths, these people sometimes get burned."

This kind of FUD (Fear, Uncertainty, Doubt)/scare tactic is designed by crafty lawyers at the IRS to keep you from looking into patriot or freedom arguments and amounts to a threat to assess penalties against anyone who tries them. However, what the IRS simply will NEVER tell you is that they have NO legal authority to assess penalties for Subtitle A income taxes found in the Internal Revenue Code against the vast majority of Americans. For example, below is the section right out of their own regulations found at the government's own website at <http://frwebgate.access.gpo.gov/cgi-bin/get-cfr.cgi?TITLE=26&PART=301&SECTION=6671-1&YEAR=2000&TYPE=TEXT>

*[Code of Federal Regulations]
[Title 26, Volume 17, Parts 300 to 499]
[Revised as of April 1, 2000]
From the U.S. Government Printing Office via GPO Access
[CITE: 26CFR301.6671-1]
Sec. 301.6671-1 Rules for application of assessable penalties.*

(b) Person defined. For purposes of subchapter B of chapter 68, the term "person" includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

Even more interesting, is that the above not only doesn't apply to most Americans. It also doesn't apply to most corporations or partnerships either! Why?...because the corporations or partnerships mentioned above must be registered in the District of Columbia (the federal zone). State-(only)chartered corporations or partnerships aren't liable for IRS penalties either because they aren't within the territorial jurisdiction of the IRS either. Furthermore, the only type of employee who can be penalized is an employee of a U.S. corporation registered in the District of Columbia and who is involved in reporting and complying with taxes for the corporation, and NOT for himself individually!

Taxpayers filing returns with frivolous positions may be subject to the accuracy-related penalty under section 6662 (twenty percent of the underpayment attributable to negligence or disregard of rules or regulations) or the civil fraud penalty under section 6663 (seventy-five percent of the underpayment attributable to fraud). Tax preparers who submit returns maintaining groundless positions may be subject to penalties in addition to those imposed on their clients.

Deceivers. They won't tell you WHO the "person" at 26 U.S.C. §§6671(b) and 7343 or "taxpayer" at 26 U.S.C. §7701(a)(14) was who was liable for these penalties or clarify that this warning only applies to corporations or partnerships registered in the federal zone?

Moreover, section 6702 provides for the imposition of a \$500 penalty against any individual who files a frivolous income tax return. The legislative history underlying this section states, “the Committee is concerned with the rapid growth of deliberate defiance of the tax laws by tax protesters. The Committee believes that an immediately assessable penalty on the filing of protest returns will help deter the filing of such returns.” S. Rep. No. 494, 97 th Cong., 2d Sess. 277, reprinted in 1982 U.S.C.C.A.N. 781, 1023-24.

The IRS just violated their own Internal Revenue Code with the above statement! It is AGAINST THE IRC to use the term “tax protesters” against taxpayers. Here is the text of the statute, from the IRS Restructuring and Reform act of 1998, Section 3707, available from <http://famguardian.org/Publications/IRSRRRA98/IRSRRRA98.htm>:

IRS Restructuring and Reform Act of 1998

Section 3707- Illegal Tax Protester Designation

A. Provision(s) covered: Act § 3707 (No Code section affected) Illegal Tax Protestor Designation Prohibited.

B. Background: The IRS designates individuals who meet certain criteria as "illegal tax protesters" in the IRS Master File. Congress was concerned that taxpayers may be unfairly stigmatized by a designation as an illegal tax protester.

C. Change(s):

1. The IRS shall not designate any more taxpayers as "illegal tax protesters." Removal of existing "illegal tax protester" designations from the individual master file is not required to begin before January 1, 1999.

2. IRS personnel must disregard any designation in a taxpayer's file (i.e., revenue agents report or other paper records) as of the date of enactment.

3. As of the date of enactment, IRS personnel should not describe taxpayers in written documents as "illegal tax protesters."

4. The IRS may designate appropriate taxpayers as nonfilers. The IRS must remove the nonfiler designation once the taxpayer has filed valid tax returns for two consecutive years and paid all taxes shown on these returns.

In the 1980s, Congress showed its concern about taxpayers misusing the courts and obstructing the appeal rights of others when it enacted tougher sanctions for bringing frivolous cases before the courts. Section 6673 allows the courts to impose a penalty of up to \$25,000 when they come to any of three conclusions:

- a taxpayer instituted a proceeding primarily for delay,
- a position is frivolous or groundless, or
- a taxpayer unreasonably failed to pursue administrative remedies.

The court should also have penalized the IRS for delaying appeal conference hearings so that Americans can't complete the administrative process and thereby litigate their cases in court. They are famous for delaying such hearings, and often try to wait until the statute of limitations of two years expires before they will grant a aggrieved taxpayer the final step in the administrative process, an appeal conference. There are two sides to every coin.

An appeals court explained the rationale for the sanctions in *Coleman v. Commissioner*, 791 F.2d 68, 72 (7th Cir. 1986): “The purpose of § 6673 ... is to induce litigants to conform their behavior to the governing rules regardless of their subjective beliefs. Groundless litigation diverts the time and energies of judges from more serious claims; it imposes needless costs on other litigants. Once the legal system has resolved a claim, judges and lawyers must move on to other things. They cannot endlessly rehear stale arguments. ... [T]here is no constitutional right to bring frivolous suits ... People who wish to express displeasure with taxes must choose other forums, and there are many available.”

Relevant Case Law:

Jones v. Commissioner, 688 F.2d 17 (6 th Cir. 1982) – the court found the taxpayer's claim that his wages were paid in “depreciated bank notes” as clearly without merit and affirmed the Tax Court's imposition of an addition to tax for negligence or intentional disregard of rules and regulations.

Baskin v. United States, 738 F.2d. 975 (8th Cir. 1984) – the court found that the IRS's assessment of a frivolous return penalty without a judicial hearing was not a denial of due process, since there was an adequate opportunity for a later judicial determination of legal rights.

Holker v. United States, 737 F.2d. 751, 752-53 (8th Cir. 1984) – the court upheld the frivolous return penalty even though the taxpayer claimed the documents he filed to claim a refund did not constitute a tax return. Noting that “[t]axpayers may not obtain refunds without first filing returns,” the court then found that “[h]is unexplained designation of his W-2 forms as ‘INCORRECT’ and his attempt to deduct his wages as the cost of labor on Schedule C also establish the frivolousness and incorrectness of his position.”

Rowe v. United States, 583 F.Supp. 1516, 1520 (D. Del. 1984) – the court upheld section 6702 against various objections, including that it was unconstitutionally vague because it does not define a “frivolous” return. “Frivolous is commonly understood to mean having no basis in law or fact,” the court stated.

Haines v. Commissioner, T.C. Memo. 2000-126, 79 T.C.M. (CCH) 1844, 1846 (2000) – stating, “[p]etitioner knew or should have known that his position was groundless and frivolous, yet he persisted in maintaining this proceeding primarily to impede the proper workings of our judicial system and to delay the payment of his Federal income tax liabilities,” the court imposed a \$25,000 penalty.

Sigerseth v. Commissioner, T.C. Memo 2001-148, 81 T.C.M. (CCH) 1792, 1794 (2001) – pointing out that this case involving the use of trusts to avoid taxes was “a waste of limited judicial and administrative resources that could have been devoted to resolving bona fide claims of other taxpayers,” the court imposed a \$15,000 penalty.

MatrixInfoSys Trust v. Commissioner, T.C. Memo. 2001-133, 81 T.C.M. (CCH) 1726, 1729 (2001) – in claiming that his income belonged to his trust, the court stated that the taxpayer had made “shopworn arguments characteristic of the tax-protester rhetoric that has been universally rejected by this and other courts,” and imposed a \$12,500 penalty.

The Nis Family Trust v. Commissioner, 115 T.C. 523, 545-46 (2000) – concluding that the Nis chose “to pursue a strategy of noncooperation and delay, undertaken behind a smokescreen of frivolous tax-protester arguments,” the court imposed a \$25,000 penalty against them, and also imposed sanctions of more than \$10,600 against their attorney for arguing frivolous positions in bad faith.

Madge v. Commissioner, T.C. Memo. 2000-370, 80 T.C.M. (CCH) 804 (2000) – after having warned the taxpayer that continuing with his frivolous arguments – that he was not a taxpayer, that his income was not taxable, and that only foreign income was taxable – would likely result in a penalty, the court imposed the maximum \$25,000 penalty.

Davis v. Commissioner, T.C. Memo. 2001-87, 81 T.C.M. (CCH) 1503 (2001) – after warning that the taxpayer could be penalized for presenting frivolous and groundless arguments, the court imposed a \$4,000 penalty.

Gass v. United States, 2001 U.S. App. LEXIS 1513 (10 th Cir., Feb. 2, 2001) – the court imposed an \$8,000 penalty for contending that taxes on income from real property are unconstitutional. The court had earlier penalized the taxpayers \$2,000 for advancing the same arguments in another case.

Brashier v. Commissioner, 2001 U.S. App. LEXIS 6270 (10 th Cir., Apr. 13, 2001) – the court imposed \$1,000 penalties on taxpayers who argued that filing sworn income tax returns violated their Fifth Amendment privilege against self-incrimination, after the Tax Court had warned them that their argument – rejected consistently for more than seventy years – was frivolous.

McAfee v. United States, 2001 U.S. Dist. LEXIS 7131, at *4 (N.D. Ga., Apr. 4, 2001) – after losing the argument that his wages were not income and receiving a \$500 penalty, the taxpayer returned to court to try to stop the government from collecting that penalty by garnishing his wages. The court

stated that “bringing this ill-considered, nonsensical litigation before this court for yet a second time is nothing but contumacious foolishness which wastes the time and energy of the court system,” and imposed a \$1,000 penalty.

QUESTIONS WHICH EASILY EXPOSE THE IRS FRAUD